

FREIGHT TRAFFIC ISSUE

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Box Cars For \$24

August 29, 1960

RAILWAY AGE *weekly*

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wants from railroads...

90% Reliability

Freight Rates— What's Ahead?

... p. 17

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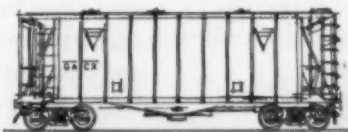
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Work rules dispute 'explored'p. 9

Secretary of Labor Mitchell has held separate meetings with brotherhood chiefs and railroad officers, giving rise to reports that a break in the case—possibly involving a compromise agreement on a study commission—may be near.

Traffic Poll—Railroads to 'stay competitive'p.12

A special survey of rail traffic executives indicates that they hope to increase revenues to balance higher operating costs by: 1) More emphasis on competitive rates; and 2) upward adjustment of charges now on a "below cost" level.

Cover Story—Stapled liner upgrades carsp.22

Using "Steel-Corr" panels, applied with Bostitch staplers, the Soo Line is relining box cars quickly, at an average material cost of \$24 per car.

Cover Story—General Foods wants reliabilityp.24

"We don't want deliveries to our customers to be a day behind—or a day ahead. We want them on schedule, 90% of the time or more." That's General Foods Corporation's transportation philosophy, which it follows itself and works closely with its carriers to maintain.

How to keep industrial railroads safe—Parts II and IIIp.37

Grade crossing and yard track safety are covered in these excerpts from papers prepared for the benefit of industrial policyholders of Liberty Mutual Insurance Company.

PRR uses flashing markersp.42

Good results are reported from tests of highway barricade flashing lights in lieu of conventional oil lamps for train markers. Both crews and company like the new units.

RSPA panel airs service standardsp.50

Railroad management must look to its customers to determine what elements of service are important—but, after the elements are established, adherence to them must be stimulated from the top, through a corporate, not departmental, approach.

Southern fights ACL-SAL mergerp.58

The proposed consolidation would, in the Southern's view, result in "unprecedented domination" of an entire territory. Should it win ICC approval, Southern wants to purchase ACL's 33% interest in the L&N and to acquire its own line into Jacksonville, Fla., and Tampa.

One of a series
spotlighting the
companies that work and
grow along the Coast Line

Shippers Along the Coast Line



Owens-Corning Fiberglas Corporation Plant at Anderson, S. C.



Joseph M. Carey, general traffic manager — rail, has been associated with the Transportation Department of Owens-Corning Fiberglas Corporation at the company's general offices in Toledo, Ohio, since 1949. He is a founder and member of the American Society of Traffic & Transportation, Inc., National Freight Traffic Association, National Industrial Traffic League, the Toledo Transportation Club, the Traffic Club of New York, and Traffic Club of Chicago.

A member and director of the Executive Committee, Great Lakes Shippers Advisory Board, he is also Chairman of the Traffic Committee of the National Mineral Wool Association.

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Week at a Glance

Current Statistics

Operating revenues	
6 mos., 1960	\$4,888,272,515
6 mos., 1959	5,025,454,654
Operating expenses	
6 mos., 1960	3,839,572,469
6 mos., 1959	3,904,047,540
Taxes	
6 mos., 1960	542,466,051
6 mos., 1959	546,801,508
Net railway operating income	
6 mos., 1960	330,289,134
6 mos., 1959	413,621,685
Net income estimated	
6 mos., 1960	238,000,000
6 mos., 1959	307,000,000
Carloadings revenue freight	
32 wks., 1960	19,181,419
32 wks., 1959	19,563,859
Freight cars on order	
Aug. 1, 1960	26,658
Aug. 1, 1959	40,309
Freight cars delivered	
7 mos., 1960	35,295
7 mos., 1959	22,545

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The Action Page—Railroading's toughest job?p.62

The job of the chief traffic officer, always an exacting one, is more difficult—and more important—than ever now that the railroads are no longer competing only with each other. It's up to top management to give the traffic department head the tools he needs to do his job effectively.

Short and Significant

Swiss banks have modified . . .

their position on competing NYC and C&O offers for B&O stock owned by Swiss shareholders, NYC President A. E. Perlman said last week. Returning from Switzerland, Mr. Perlman said the banks' Aug. 4 recommendation in favor of the C&O offer has changed as a result of B&O President H. E. Simpson's report that his road thinks a three-way merger would be in the best interests of all the roads and the public. Mr. Perlman described the banks' change as being from "anti" to "neutral" as far as the NYC offer is concerned.

The AAR Bureau of Explosives . . .

has authorized the Chicago & North Western to handle highway tank trailers loaded with "restricted" commodities in TOFC service. Authorization followed a series of yard and road tests, ending with actual movement of acid-filled tankers on flat cars in regular train service (RA, Aug. 1, p. 33).

More liberal credit arrangements . . .

for carload shippers are now off "until further order" of the ICC. The Commission has reopened the case wherein its May 19 order modified the credit rules in response to the petition of southern railroads. Official-Territory roads, other than the C&O, opposed the liberalization, and the reopening is in response to their petition. The liberalization would permit railroads generally to allow a maximum of 120 hours, instead of the present 96-hr allowance, for payment of carload charges. The 120-hr plan already applies to LCL charges.

Decline of \$69 million in net income . . .

for Class I railroads is estimated by the AAR for this year's first six months, compared with the corresponding 1959 period. The estimate puts this year's six-months' net at \$238 million, compared with \$307 million last year. Thirty million dollars of the drop is accounted for by June's showing. The estimated net for that month is \$43 million, compared with June 1959's \$73 million. Twenty-seven Class I roads failed to earn their fixed charges in this year's first half. Rate of return for the 12 months ended with June was 2.42%.



Standard's Bill Barr (second from right) talks over railroad lubrication yesterday and today with (l. to r.) Messrs. Quirin, Williams and McAlpine of the Burlington.

Bill Barr's business is to help the busy Burlington

When the Burlington put the new SD-24's into service in June, 1959, Bill Barr was on the job providing technical service on lubrication. This is old stuff for Bill. He's been helping the Burlington for 19 years. And he has more than 30 years' experience on diesel lubrication, plus an engineering degree from Louisiana University to qualify him for this work.

Although Bill Barr wasn't there when the Burlington's first diesel went into service in 1934, Standard Oil was. Standard diesel lubricants were used in the famous

- Pioneer Zephyr on its history-making non-stop Denver-Chicago run 26 years ago. Standard products were still in use in this train when it was removed from active service and placed on public exhibition in early 1960.

The kind of skilled technical service Bill Barr renders the Burlington and the experienced service Standard Oil provides railroads are yours simply by calling **Railway Sales Department, Standard Oil Company (Indiana), 910 South Michigan Ave., Chicago 80, Illinois.**

You expect more from



and you get it!

Work Rules Dispute 'Explored'

► **The Story at a Glance:** Reports of a possible break in the work rules dispute were quietly circulated in the industry last week, following separate meetings of brotherhood chiefs and a group of railroad officers with Secretary of Labor Mitchell.

Meetings so far are described as "exploratory," but the apparent goal is to find some compromise way of handling the issue to minimize chances of a future deadlock. Meanwhile, the scheduled date (Sept. 7) for beginning negotiations on the dispute remains firm.

Among other developments on the railroad labor front: final settlement of the U.S. non-ops wage dispute; recommended settlement of the Canadian non-ops wage case.

With 1960 wage cases largely settled, the work rules dispute came in for new attention last week. Latest development in that case is the entry of Secretary of Labor Mitchell as an intermediary, holding separate discussions with union chiefs and management representatives.

The secretary's office confirmed that "exploratory" meetings have been held, and that further meetings are expected. Management representatives, it is understood, attended the first such meeting on Aug. 22 "by invitation."

No statement has been issued as to the nature of the meetings, but there were reports that they are an undertaking to find compromise grounds for handling the case. There was talk that a special study commission might yet be appointed—the unions agreeing to limit its scope to the "wage structure" while railroads would agree to a non-binding decision. This was described as "not entirely accurate" by one railroad spokesman and the fact that meetings so far have been "exploratory" suggests that no such concrete proposals have been made.

Speaking last April at a brotherhood institute on labor-management problems, Secretary Mitchell proposed, in effect, that the work rules problem be assigned to study outside the processes of the Railway Labor Act (RA, April 18, p. 9).

Meanwhile, union and railroad representatives are slated to begin negotiations in the case on Sept. 7. Both sides say this date remains "firm." Conceivably, some variation of the study-

commission proposal could develop from these negotiations.

It became known last week that a 20-man joint negotiating committee will represent the operating brotherhoods in the Chicago negotiations. Each of the five unions will name four members to the committee.

The renewed efforts to dispose of the work rules case came as the railroads and 11 non-operating unions settled their 15-month dispute over wages and benefits. The agreement, which capped a 28-½ hour continuous bargaining session, will boost the industry's labor costs by an estimated \$112,000,000 a year. It marked the close of the 1959-60 wage negotiations for all but a few small unions—among them the SUNA, which rejected one settlement offer and will return to negotiation with the carriers Aug. 30.

Under the non-ops agreement, about 550,000 employees will get a 5-cent-an-hour wage increase retroactive to July 1, 1960, and fringe benefit improvements of approximately equal value effective next March 1.

In Canada, meanwhile, the majority report of a conciliation board recommended a 14-cent-an-hour wage increase for non-operating employees.

This would cost the Canadian roads an estimated \$34,700,000 a year. The non-op demand was for a 25-cent-an-hour increase, which would have cost approximately \$65,000,000 annually. The conciliation board's recommendation is not binding. A conference committee of general chairmen will consider the report Aug. 31.

Elsewhere on the labor front, strikes—one actual, one pending—made news.

There were indications that a Union Railroad walkout that crippled steel-mill operations in the Pittsburgh area was gradually nearing settlement. A federal mediator reported "very satisfactory" progress. The dispute embraces both working rules and wages. The strikers, members of the United Steelworkers, have been seeking a wage settlement based on the Big Steel pattern (RA, Aug. 22, p. 36).

Cause for graver concern continued to be the threatened strike of the Transport Workers Union against the Pennsylvania (RA, Aug. 22, p. 36). TWU scheduled a walkout for Sept. 1 over demands (involving job classifications and working rules) which the railroad says would cost up to \$3,000,000 a year.

Railroad Strike Insurance Draws TWU Fire

The railroad industry's strike-insurance plan, already being scrutinized by RLEA lawyers for a possible court test (RA, Aug. 22, p. 10), came under fire on another front last week.

The Transport Workers Union, which has scheduled a walkout on the Pennsylvania Sept. 1 (see above), assailed the railroad plan as a "strike-breaking" device and called for a Congressional investigation.

The insurance guarantees a struck road its fixed charges and other costs of maintaining a stand-by position, but it does not cover loss of profits.

RLEA's interest in a possible court test was set off by the recent 27-day BRT strike against the Long Island, during which the railroad collected a reported \$50,000 a day in strike insurance.

In Chicago, meanwhile, RLEA Chairman G. E. Leighty expressed the blunt opinion that in the long run the insurance isn't "going to be worth a damn to the railroads." The railroads, said Mr. Leighty, "cannot afford to have a strike of any duration . . . even if they're collecting strike insurance." His reasoning: An idle road's traffic goes to its competitors—and some of it never comes back.

Passenger Agency Plan Studied

Plans to save railroad passenger service will get a close look when the transportation study of the Senate Committee on Interstate and Foreign Commerce is completed next January. Unofficial Washington sources report that Maj. Gen. John P. Doyle, study director, has under consideration an agency that would be empowered to buy from the railroads and operate under trackage rights all necessary passenger service the railroads now operate. The new National Passenger Service Corporation could be either a public agency or a private agency similar to Railway Express—and could be built around the existing nucleus of the Pullman Company.

Key to the plan would be purchase—at ICC book value or any other fair price—by the agency of passenger equipment and leasing of trackage rights from the railroads.

As now conceived, the agency would own cars, hire its own crews and sell

and promote its own service. The agency would realine routes as necessary to provide the best service between two points, which could mean that a route between two cities would involve tracks of several different railroads now competing with each other.

The Senate study's plan differs in one important respect from somewhat similar developments that this year have seen the City of Philadelphia set up a Passenger Service Improvement Corporation and the State of New Jersey offer to "buy" suburban passenger service from nine of its roads. The proposed National Passenger Service Corporation is economically sound, its proponents say, and should pay its own way.

In reserving the authority to realine routes as necessary, the proposed National Passenger Service Corporation will be treading ground broken by New Jersey's Division of Railroad Transportation, under its plan to buy a year's

continuation of commuter service at a cost of approximately \$6,000,000 (RA, April 11, p. 36).

Restoration of New York Central's West Shore commuter service on a subsidized basis has been proposed by Executive Director Herbert A. Thomas of the New Jersey agency. Mr. Thomas' proposal, announced at public hearings on the service to be purchased, called for NYC to operate five round trips daily and terminate them at the DL&W terminal in Hoboken. A spokesman for NYC responded to the \$100,000 offer by commenting that the railroad would not voluntarily resume West Shore operations.

In other respects, though, New Jersey's contract plan is proceeding on schedule. With public hearings completed, Mr. Thomas told Railway Age that he expects contracts with eight of the nine commuter roads (all except Lehigh Valley) to be signed before the end of this month.

Watching Washington *with Walter Taft*

● **AVERAGE COMPENSATION** of railroad officers in the \$20,000-or-more-per-year class continues to decline. Latest ICC figures show that it was \$32,682 at the close of 1959. That was lowest since 1950's \$32,336. It compared with \$33,105 for both 1958 and 1957, and with 1956's \$33,371.

HIGHEST AVERAGE of the past decade was 1952's \$33,488. The figures include not only salaries but also other compensation, such as amounts received under incentive plans. These additional payments totaled about \$1¼ million in 1959, i.e., aggregate compensation of the \$20,000-or-more group amounted to \$33,073,998, while their salaries totaled \$31,867,223.

ABOUT 1,000 OFFICERS are now in the \$20,000-or-more group on the total-compensation basis. The number was 1,012 at the end of 1959, when 994 officers qualified on the salary-alone basis. Four hundred and seventeen of the latter were receiving less than \$25,000 a year, and 49 were being paid \$70,000 or more.

ONLY FIFTEEN of the top executives were listed as earners of \$100,000 or more per year, and the top salary was \$140,000. Highest total compensation shown was \$143,175.

● **COMPROMISE** accident-reports bill is moving forward. Early last week it was cleared by the House

Committee on Interstate and Foreign Commerce, and prompt follow-through to passage by the House was anticipated.

THE BILL, sponsored by the Railway Labor Executives' Association, passed the Senate in a form opposed by the railroads. The compromise version was worked out by representatives of RLEA and the AAR, and the ICC joined them in recommending it to the House committee (RA, Aug. 22, p. 10). The bill will have to go back to the Senate, where ready acceptance of the agreed-on version is also expected.

● **PRICES PAID BY RAILROADS** for fuel, materials and supplies are still going down. The AAR's latest quarterly index, at 142.7, records a third successive drop. The index is for July, and it compares in turn with April's 143.5 and January's 144.4. Except for the latter, it is lowest since October 1958's 141.6. The index is based on mid-year spot prices for the 1947-49 period as 100.

BIGGEST DECREASES of the April-July period were in prices of fuel. The fuel index fell two points—from 113.4 to 111.4. The latter is the lowest fuel index in nearly five years—since October 1955's 110.1. The index which excludes fuel was the same for July as for April—159.6.



This cup of coffee went to Memphis...Piggyback

Shipping coffee isn't news. But when a single paper cup of coffee, ¹/₂ full, is carried 500 miles on a freight train without spilling a drop, that's real news for shippers. It means **PERFECT HANDLING!** May we boast? It happened on the Dixie Line. In Cincinnati, a workman loading his company's piggyback shipment of pulpboard, placed his unfinished coffee on a stack of board and forgot it. Five hundred miles later the cup arrived at Memphis... upright and unspilled.

What better proof can we offer you of the safe, smooth freight-handling assured every shipment that goes L & N Piggyback.

**LOUISVILLE
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The DIXIE LINE

Railroads to 'Stay Competitive'

Proposition

Recent somewhat sensational newspaper reports of the desire of some railroads to increase their freight revenues in the wake of recent wage increases may have left the shipping public with the idea that the railroads are weakening in their drive to modernize their rates.

Question

Are we correct in assuming that chief traffic executives retain their zeal for improving the competitive attractiveness of the railroad rate structure—and that steps which might be taken to increase some charges (for instance, those now "in the red") would not contradict, or indicate abandonment of, the "get competitive" program?

Yes 21
No 0

Railroads want to stay competitive, rate-wise, with other modes of transportation. In fact, judging from opinions expressed by all of 21 chief traffic officers queried by *Railway Age*, they would like to become even more competitive in that respect than they are now. As the traffic vice president of a major western road phrases it, "we would rather regard our program [as one] of making competition—not meeting it."

At the same time, railroad traffic executives are faced with the absolute necessity of finding for their companies added revenue to offset increased expenses caused largely by higher wages for employees. They are, in the words of an eastern vice president, up against a problem "of a repetitive nature arising with each cycle of increased costs of doing business resulting from wage and material cost increases."

To meet those double—and mutually contradictory—objectives of staying competitive and at the same time increasing revenues, the men answering *Railway Age's* survey indicate, unanimously, that they:

- Favor greater emphasis on competitive rates and competitive rate adjustments, more quickly made;

- Intend to take a good hard look at individual rates, and at special or accessorial service charges, which may presently be on a "deficit" level; and

- Dislike the idea of looking toward a substantial percentage increase "across the board" as a main feature of their pricing program.

The certainty of increased emphasis on competitive rates is pointed up in nearly all the replies. "Your conclusion is correct," a western officer writes. "We are going to continue to revise rates on specific commodities, particularly fostering incentive rates for heavier loadings, and to vigorously continue our efforts to secure additional traffic through piggyback, etc. You can be certain our program of 'forward progress,' rate-wise and service-wise, is going to continue."

That sentiment is confirmed by other western railroaders. One, for example, though he concedes that "progress is being made by the railroads in making their rates more competitive," describes himself as "dissatisfied with the amount of such progress." "I think," he adds, "the dissatisfaction is so general there is not the slightest danger of abandonment or slowing down of our efforts."

Another road reports that its traffic executives "retain their zeal for improving our competitive rate situation," and sees "no reason to doubt that any different feeling exists on the part of those charged with similar responsibilities on other railroads." A fourth traffic man, from a fourth western road, feels that "all" his colleagues "desire to continue to analyze and investigate the possibility of adjusting rates to retain, or regain, competitive traffic."

The same sentiment is equally strong in the South and in the East, judging by replies from those sections of the country. The traffic department head of one major southern road says his company "will not abandon its progressive program of offering the public com-

petitive and attractive rates as well as the best services possible." His counterpart on a neighboring line sees no slackening off of competitive rate-making; sees, instead, "a surge forward in carrying out the type of rate work" referred to in the Poll proposition.

An eastern executive says his railroad "is doing everything possible to streamline rate-making procedure, which includes treatment of specific commodities where it is indicated this handling will retain or regain traffic." "In this competitive time," he adds, "it is necessary to revamp price structures to meet rapidly changing conditions. We are keenly aware of this and plan accordingly to publish volume, discount or incentive rates as the situation requires."

The vice president of another eastern road says he knows of "no basis for the suggestion that there is or will be any change in the program of railroads for considering proposals to change rates, whether such changes are based on the competitive needs of railroads, the competitive needs of shippers, or other considerations."

Still other easterners express general agreement in such statements as: "We share the opinion of most traffic executives for improving the competitive attractiveness of the railroad rate structure. It is our purpose to become competitive and stay that way"; and

"We will not weaken in our desire to improve the competitive attractiveness of the railroad rate structure."

Another traffic vice president, picking up the language of the *Railway Age* inquiry, calls it "unfortunate if newspaper items have suggested that there is any change in the basic policy of rate-making as practiced in recent years and continuing today . . . The over-all pat-

(Continued on page 17)

Chief Traffic Officers Look at Rates

This month's Traffic Poll is a special one. It collates the opinion, not of shippers, but of chief traffic executives of representative major railroads on what may be done to increase freight revenues to balance recent wage increases to employees. The specific question, and the reason for asking it, as stated in *Railway Age's* letter to the traffic officers, appear on this page.

The regular shipper Poll which had been circulated for this issue will be reported in the *Railway Age Freight Traffic* Issue of Sept. 26.



SUPER-VAN SERVICE: dawn of a new era in freight transportation

The New York Central has introduced a new concept in fast freight. Super-Van Service!

Super-Van trains carry only shipping containers such as Flexi-Van, which can travel by rail, highway or water. Equipped with passenger train type roller bearings, these trains of gleaming metal boxes clip off miles at spectacular speeds on the rails.

Suddenly you find major markets miraculously closer. For example, freight leaving Chicago at midnight arrives in New York that same evening. Then, still in containers, it's delivered right to your doorstep before business starts the next morning.

Super-Van Service is just one of many exciting

innovations being made by the Central to provide faster, more reliable service for its customers. You'll find bold new concepts of transportation start on the New York Central.



ROAD TO THE FUTURE



AMERICAN CAR AND FOUNDRY
acf
COVERED HOPPER

acf covers customer needs

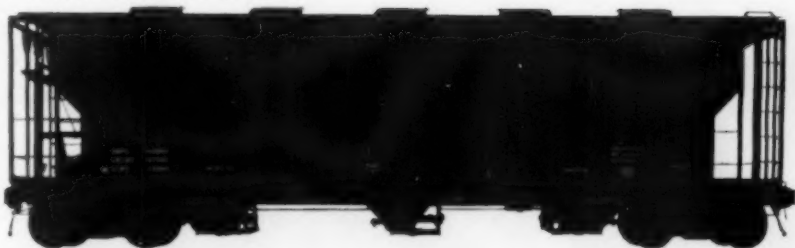
The ACF Covered Hopper Car is economical because of its faster, easier and complete unloading...economical because American Car and Foundry Production Design methods reduce initial cost and maintenance expense.

■ The ACF Covered Hopper Car is another member of American Car and Foundry's fleet of Production Design Cars that are helping railroads to offer better service at lower cost.

AMERICAN CAR AND FOUNDRY

Division of ACF Industries, Inc., 750 Third Ave., N.Y. 17, N.Y.

CH-3500 PRODUCTION DESIGN COVERED HOPPER CAR



ACF COVERED HOPPER CARS GIVE BETTER SERVICE AT LOWER COST

Fast delivery at lower initial cost—

Production Design methods simplify ordering, speed delivery and pass along immediate savings.

Stronger and longer lasting—

extra strength and support in members subject to stress and extra thickness in all interior sheets.

Easier, faster unloading—

one-piece end and cross-ridge floor sheets and all-welded, smooth interior for complete emptying.

Cleaner lading, easier operation—

weather-tight, fast-operating hatches...smooth roof design to prevent road dust accumulation.

Available in 4 sizes—

2,000 to 3,500 cubic feet capacities, twin or triple hoppers, Ship-O-Matic feature optional.

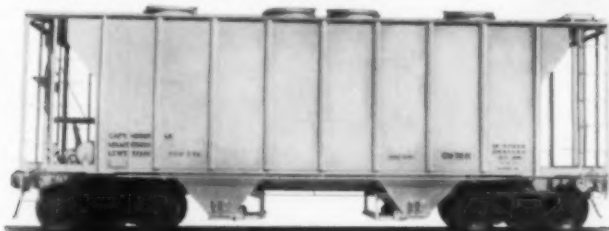
ONE MAN UNLOADS WITH SHIP-O-MATIC

For shipment of granular or powdered commodities, the Ship-O-Matic feature allows one man to unload in three simple steps: **1**—screw off unloading cap, **2**—open air inlet and **3**—insert suction hose.

Pneumatic outlets adapt to any size conveyor system unloading both sides of each hopper simultaneously. Cars also unload by gravity flow.



CH-2000 PRODUCTION DESIGN COVERED HOPPER CAR



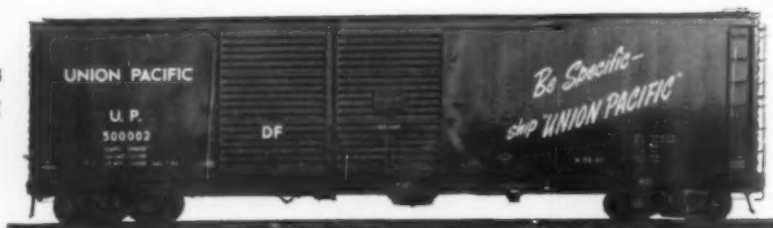
SALES OFFICES:
NEW YORK
PHILADELPHIA
WASHINGTON, D.C.
CLEVELAND
CHICAGO
ST. LOUIS
SAN FRANCISCO



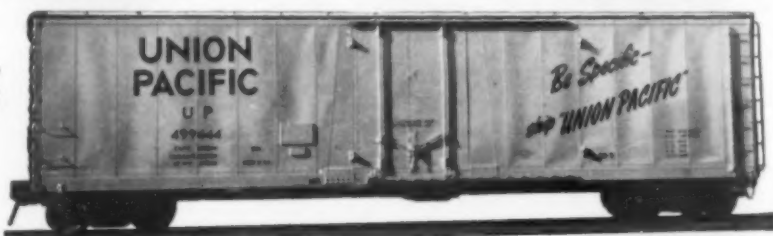
3

THREE TYPES OF SELF-CONTAINED DUNNAGE CARS

This **Standard 50'** Box Car is equipped with belt rails, locking crossbars, and deck boards.



An **insulated 50'** Box Car, equipped with belt rails, locking crossbars, and deck boards.



Providing as many as **3 compartments**, this **insulated 50'** Box Car is equipped with load dividers.



and another type is soon to come ...

Watch for it!



This is further evidence of our continuing effort to provide you high quality freight service in the West on...



tern of rate adjustments continues whereby competitive situations are met where economics will permit."

Emphasis on competitive rate adjustments should not, however, be construed to mean that all rate adjustments will be downward. As a group, the traffic officers queried indicate full realization of the fact that, as a southern man phrases it, "there are some services now being performed at or below cost which should be placed on a level more in keeping with the value of such services." This, says an eastern executive, is "a field that should have been explored long ago," for reasons which another southern vice president explains in some detail:

"There are many low-rated commodities on which railroads have maintained rates often below cost of performance of service, which in many cases leave no profit on large volumes of traffic. There was a day . . . when railroads maintained very low rates on raw materials . . . content with the knowledge that they would handle the outbound product at relatively higher rates. The picture has now changed . . . This competitive situation will force the rail carriers, needing added revenue, to try to get more money on low-grade traffic."

Westerners take much the same viewpoint. "Serious consideration," says one, "will be given to further analyzing a number of services that are not paying their way, and these will be carefully reviewed." "There are," one of his colleagues adds, "some 'low spot' and 'below cost' services that need attention. We are endeavoring at all times to get them on at least a break-even basis."

Another major western carrier says it will not only continue, but accentuate its "program of providing modern expeditious transportation of freight at charges consistent with the services rendered, and on bases competitive with other forms of transportation." But its traffic vice president goes on to point out that "there may be occasions on which we will find it desirable to seek increases for certain services [which] are clearly being rendered on an inconsistently low basis of charges" because, he continues, "where any service is being rendered at an unduly low charge, it is placing an unreasonable burden on other transportation. All traffic should contribute to the maintenance of an economically sound railway transportation system."

Another man, also from the West, says bluntly that his company is "not interested particularly in securing more car numbers without, at the same time, increasing our income so we can con-

tinue to operate at a profit." While his particular carrier is "constantly working on the question of modernizing rates," he understandably sees no point in its becoming "a transportation company handling business on a deficit basis." Its objective is "the highest possible load factor, at the highest profitable level," which, in his opinion, "requires a constant survey and re-evaluation of the rate structure."

Several of the men who answered the survey were careful to point out that there is no inconsistency whatever between, on the one hand, downward rate adjustments for competitive reasons and, on the other, rate increases to at least a cost-of-service level.

'No Incongruity'

The traffic vice president of one major eastern carrier was particularly emphatic on this point. "There is," he said, "positively no change in our approach that the railroads should and will continue efforts to improve their competitive position by adjusting rates, downward if necessary, or by such other means as circumstances appear to justify." He added, however, that:

"There is no incongruity between what is being done as a result of our research program and efforts of the railroads to seek additional revenue where this can be done by increasing rates or charges as competitive conditions permit or where rates are below or near the cost line, or by imposing charges for certain accessorial services that are burdensome . . . and definitely in a deficit area."

One of his counterparts, while emphasizing the railroads' "desire to remain competitive," nevertheless mentions the possible necessity "of increasing certain rates or charges for specific services to meet mounting costs." A competitor says the same thing in reverse: "The fact that consideration is presently being given to increased freight rates of some nature does not mean that we have abandoned our 'get competitive' program."

None of the individual executives, obviously, is in position to give—and none of them does give—any guarantee against the possibility of some modest increase in general rates. But not one of them gives any indication of favoring primary reliance on this approach for meeting current revenue needs—and not at all as a component of the carriers' long-run program of attaining a more effective rate structure.

Considering the replies as a whole, the clear hope of the group is that competitive adjustments will bring in more

revenue-producing traffic; or that selective increases, where justified, will be "refunded in net return" through reduction in the obligation to serve.

Most of the men queried—and most responsible shippers, too—would probably agree in general with the three-way approach suggested by the sales vice president of one of the eastern roads. This man outlines three steps:

"1) Accelerate the program of modernizing the railroad pricing structure through more practical rate-making based on cost of service rather than on what the traffic will bear." (This, he points out, will probably mean a good many decreases in actual rates, but increases in revenue. Not all of his colleagues necessarily agree entirely with completely cost-based rates, but many of them think—as he does—that this general approach will involve more emphasis on such new concepts as quantity, incentive, incremental and, ultimately, contract rates where they can produce profitable volume.)

"2) A new, realistic set of charges for services accessorial to the actual freight rate.

"3) Finding out, through greater knowledge of specific costs, what commodities are being handled at a loss and increasing these rates so the handling of these commodities will not be a drain on other railroad revenues."

East Coast Roads File Plan II Citrus Rates

Plan II piggyback rates on citrus fruit from Florida to Baltimore, Philadelphia and New York areas will become effective Sept. 14, under Southern Freight Tariff Bureau Freight Tariff No. 910 (ICC S-149).

On a two-trailer-per-car basis, the tariff specifies flat trailerload rates from any of 14 Florida fruit-producing centers to each of the three terminal cities or points immediately adjacent thereto. The rate to Baltimore, for example, is \$315 when the railroads provide both pickup and delivery; \$295 when they provide pickup at origin but only ramp delivery at destination. Rates to Philadelphia and New York are proportionately higher. In each case, there is an extra charge for mechanical refrigeration, when such service is specified by the shipper.

Participating railroads are the Atlantic Coast Line; Seaboard Air Line; Florida East Coast; Tavares & Gulf; Richmond, Fredericksburg & Potomac; Pennsylvania; and the Baltimore & Ohio.

Performance Proof No. 125

P-S Compartmentizer



*From ocean floor
to warehouse door,
it's smooth sailing for...*



ADJUSTABILITY. One man easily handles Compartmentizer gates which move on roller bearings and can be locked at $1\frac{1}{2}$ " intervals to hold load tight. Individual locking handles insure positive, easy action. Compartmentizer gates open flat and out of the way against sides of car.

FAST AND EASY LOADING. B-end loading begins just as soon as car side door and Compartmentizer gates are opened. With the Compartmentizer there are no loose parts to move, no headroom restrictions, no interference with manual or mechanical loading equipment.



TO THE RAILROAD INDUSTRY
this performance proof message in leading traffic publications is being read by more than 37,000 key decision makers. They are being reminded of the efforts being made to keep rail service at the forefront of American transportation through such innovations as the P-S Compartmentizer.



NO WASTED SPACE. After A and B car ends are loaded and P-S Compartmentizer gates closed, center section loading is fully protected between gates. Compartmentizers always offer maximum protection, with no extra dunnage, no guesswork and minimum manpower.



SHIPPER ACCEPTANCE. Mr. G. R. Pendergrass, Snow's Portland representative, checks condition of A-end load upon car's arrival. Although lading consisted of many different sizes of cases (an added invitation to damage), there was no damage whatever.

Protects Canned Goods Saves Manpower Hours

400,000 lbs. of clams each day! That's the average catch of the F. H. Snow Canning Co., Inc., in North Atlantic off-shore waters. Volume and quality have made Snow's Clam Products popular favorites the country over. "We always try to ship 100% P-S Compartmentizer," says H. A. Bucklin, Traffic Manager at Snow's Pine Point, Maine, headquarters. "Compartmentizer-equipped cars protect our shipments from damage and reduce lading handling man-hours."

This is another user who speaks from experience. In 1959, Snow shipped 121 P-S Compartmentizer-equipped cars—all containing canned goods and nearly all handled under stop-off privileges. "Our use of P-S Compartmentizer-equipped cars has practically eliminated damage claims," says William Kleb, manager of Snow's

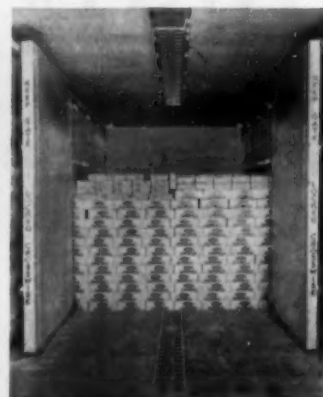
Wildwood, N. J., plant. "Before we specified P-S Compartmentizers, our damage was high and the cost of claims tremendous."

The accompanying photographs illustrate a typical Snow cross-country transload and stop-off shipment, from Wildwood, N. J., to Seattle. This particular car—P-S Compartmentizer-equipped UP 499477—was loaded with 2435 cases (77,585 lbs. load weight). The doorway portion was transloaded at Reno. With the balance of the load still protected behind sealed Compartmentizer gates, the car then moved to Portland, Oregon, where a stop-off was made and the A-end unloaded. With the next consignee's lading still safely stowed behind B-end gates, the car moved to final destination, Seattle. Here, too, the load was found in claim-free condition . . . not a single case damaged!

ASK FOR THEM BY NAME . . . COMPARTMENTIZER-EQUIPPED BOX CARS! The following shipper- conscious carriers now have P-S Com- partmentizer Cars in operation:

Atchison, Topeka & Santa Fe	Milwaukee Road
Baltimore & Ohio	Minneapolis & St. Louis
Bangor & Aroostook	New York Central
Central of Georgia	Norfolk & Western
Chesapeake & Ohio	North American Car Corp.
Chicago, Burlington & Quincy	Northern Pacific
Chicago Great Western	Pacific Fruit Express
Chicago & North Western	Pennsylvania
Fruit Growers Express	St. Louis
Great Northern	Southwestern
Merchants Despatch Transportation	Seaboard Air Line
	Southern Pacific
	Texas & Pacific
	Union Pacific
	Western Pacific

**ASK FOR THIS NEW
BOOKLET.** Shows how
P-S Compartmentizer
reduces damage claims,
speeds loading and un-
loading, cuts shipping
costs. Sixteen pages of
interesting and profit-
able reading.



PERFORMANCE PROOF. Illustration at left shows last of 700 cases for Seattle being loaded in the B-end. At right is this same B-end lading as P-S Compartmentizer gates were opened at Seattle. Car had traveled 3,967 miles via PRSL, PRR, IC, UP, SP, and UP from New Jersey to Washington State with only minor lateral shifting of load. Opposite end of car held 740 cases that were unloaded at Portland. Center area contained 995 cases transloaded at Reno. All arrived at their destinations in 100% perfect condition.

PULLMAN-STANDARD

A DIVISION OF PULLMAN INCORPORATED

200 SOUTH MICHIGAN AVENUE, CHICAGO 4, ILLINOIS

BIRMINGHAM, PITTSBURGH, NEW YORK

J. C. Fennelly Co., San Francisco Representative

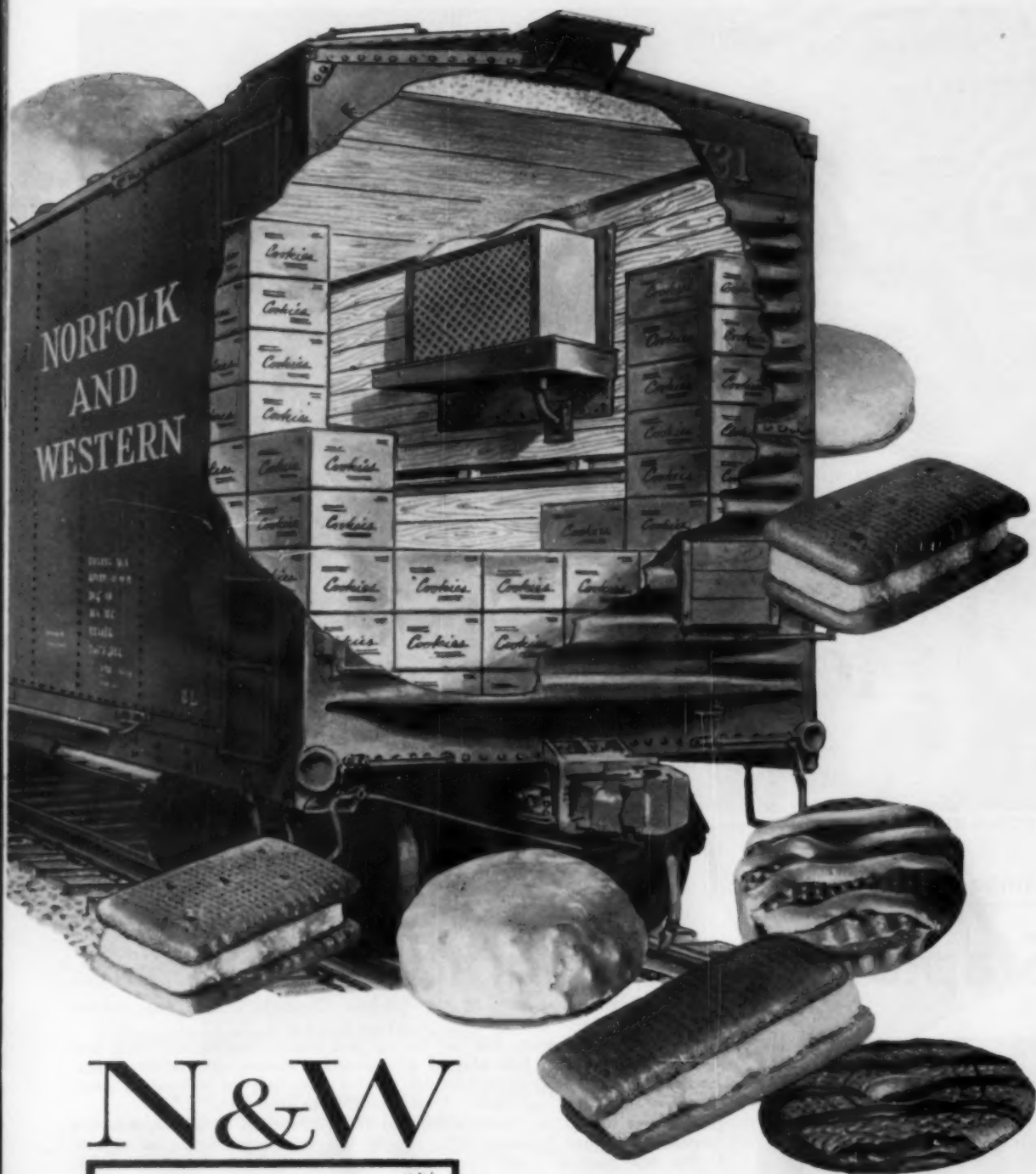


How the new N&W put the chill on stuck-up cookies

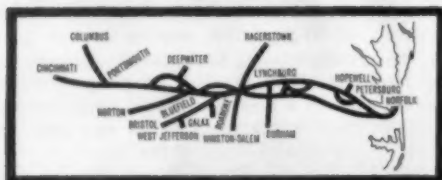
Problem: Cookies shipped in boxcars arrived safe and sound during the winter. But in summer, heat caused chocolate-covered varieties to stick together. And nobody likes stuck-up cookies!

Solution: N&W experts rolled up their sleeves and went into action. Special insulation was installed in the top of boxcars, containers put in each end of the cars for blocks of dry ice. Now cookies travel in the hottest weather . . . cool, calm, and unconnected!

Typical: This is another typical case of N&W ingenuity in solving shippers' problems! Test that ingenuity with *your* problem. Call in your N&W freight traffic representative. If there's a practical answer, he'll find it!

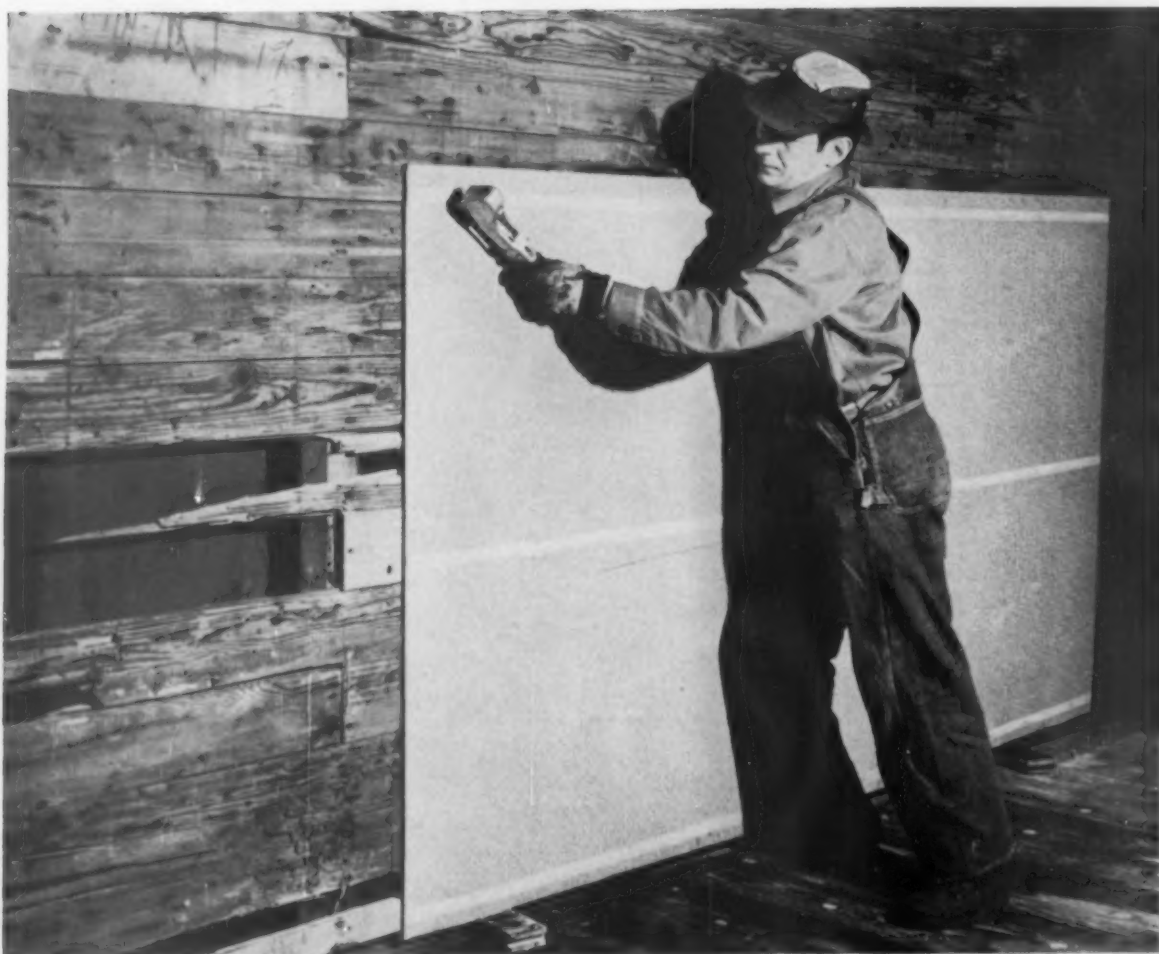


N&W



**NORFOLK & WESTERN
RAILWAY**

GENERAL OFFICES • ROANOKE, VA.



FIFTEEN-MINUTE stapling job by one man provides durable, inexpensive new lining for damaged box cars.

Damage Reducer

Stapled Liner Upgrades Cars



"STEEL-CORR" panels are easily handled, can be installed anywhere.

To repair and upgrade box car interiors, the Soo Line has adopted a system utilizing International-Stanley Corp.'s "Steel-Corr" car liner. Liner panels are stapled in place with a heavy-duty stapling hammer.

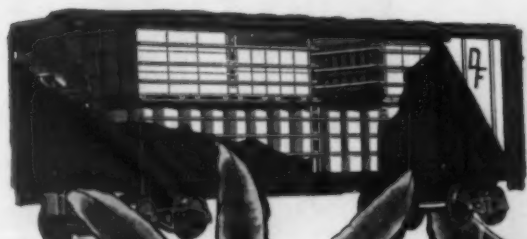
The new method, both faster and more economical than the old system of piece-patching wooden linings, satisfies all pertinent regulations, and offers a quick, inexpensive way of qualifying resurfaced cars to carry high-grade lading. Material costs run about \$24 per car.

In the Soo's operation, it takes one operator about 15 minutes to completely reline one car with "Steel-Corr." This compares with an average of two hours for the old method of removing

broken boards, shaping and fitting new pieces and making other minor repairs. Labor costs may be reduced as much as 75% in some cases.

The "Steel-Corr" panels come in 4-ft by 8-ft units; are constructed of corrugated A flute with three 1-in. bands of 30-gage steel running through them horizontally. Each one-hand blow of the Bostitch H-4 stapling hammer drives a $\frac{5}{16}$ -in. galvanized staple through one of the steel bands and into the wooden sidewall of the car.

The stapling hammer can be used inside car repair shops, but is especially suited for rip-track or "on location" work outside of shops where air-driven equipment and motorized tools may not be available.



The Kid Glove Treatment!®

That's what both railroads and shippers call Evans DF*-equipped cars. And with good reason . . . because DF-equipped cars transport lading so well that damage in transit is virtually eliminated.

DF-equipped cars provide a cost-and-time-saving service to shippers who need no longer pay for "deadhead" dunnage. They are designed to permit no slack . . . no damaging load-shifting . . . and full-car capacity loads are easily planned through multi-decking.

Heavier loads per DF-equipped car are now increasing revenue per car mile for sixty-two carriers. And DF-equipped cars are available to shippers at no extra cost.

*DF is a registered trademark of the Evans Products Company . . . only Evans makes the DF Loader



...LOCKS IN LADING, ELIMINATES
DAMAGE AND DUNNAGE

Evans Products Company • Plymouth, Michigan



Carefully-planned Sales and Distribution Centers, working in close partnership with freight carriers, mean dependable service to customers.



General Foods Wants Reliability

► **The Story at a Glance:** To give its customers the best possible service—particularly in meeting their inventory replacement needs—General Foods Corporation is making freight carriers active partners in the transportation phases of its gigantic food manufacturing and distributing business.

It gives carriers, on the one hand, substantial revenues—around \$80 million a year.

It asks them, on the other, for scheduled, dependable transportation, maintained with reliability of 90% or better.

Heart of GF's marketing concept is its growing network of individually-planned "District Sales and Distribution Centers," which operate on rigid customer service standards and maintain precise records of carrier cooperation in meeting those standards.

"We want our freight carriers to feel they are in active partnership with us to provide our customers with the best possible service."

That's how Arthur C. Schier, vice president—traffic, of General Foods Corp., sums up the philosophy behind the transportation phases of his company's carefully worked out plan for distributing its many products to its numerous customers.

At the heart of the new plan is a network of 17 sales and distribution centers, either built or building, which receive GF products from manufacturing plants, and fan them out on predetermined routes and schedules to individual buyers. Each center operates according to definite service standards. Each carrier serving a center is expected to help maintain those standards by adhering to promised schedules with 90% or better reliability.

But—and, so far as transportation is concerned, this may be the most significant feature of GF's whole distribution concept—carriers themselves help to establish those schedules. General Foods, in other words, asks transportation companies to do only what they themselves have said they could do.

Partnership Concept

Creation and development of the "Sales and Distribution Center" idea was based largely on the premise that, in a complex processing and distributing industry, "manufacturer, wholesaler and retailer are each dependent upon the others in very large measure."

To quote George Perry, general manager of the Distribution-Sales Service division of General Foods, "the partnership concept requires giving as well as taking. In any one phase of a complex partnership, one of the partners may have to assume the active giving role pretty consistently . . .

"[In our industry] the prime responsibility for effective sales and distribution rests pretty squarely on one side of the partnership. It rests on the manufacturer.

"If a manufacturer accepts the partnership concept, he has to face up to the fact that, for effective sales and distribution service, the wholesaler and retailer are largely, if not completely, dependent upon both the manufacturer's creativity and his efficiency. . . . We at General Foods feel that responsibility, we accept it, and to the best of our ability we are meeting it."

Meeting it, General Foods also felt, required (among many other things) getting rid of old-fashioned, "two-faced, good-bad delivery standards."

"Many manufacturers," to quote Mr. Perry again, "talk about their 'good' delivery service. General Foods did so in the past. Many manufacturers feel sure their merchandise gets to the customer in two, three or four days at the outside. General Foods was sure of that, too. But come to check it out over a period of time, as we did, and a record of 50% or so on time was considered pretty darn good by our distribution men who actually did the job.

"Consider weather conditions," they

said. 'Consider rail or truck breakdowns. Consider people with no follow-up. Consider this, consider that.' Yes, it was easy for them to see the good side of a 50% record.

"But, consider Mr. Customer, too. From his point of view, it's also a '50% or so' record, but he clearly sees the other side—the bad side; delivery one day on time, then one day off, now three days off, now again on time, perhaps once more on time but then four days off, and so on throughout the year, off about half the time.

"Now ask why the customer is out of stock, or why he complains about inventory variations; why his warehouse is empty of your products, or why it is jammed."

Satisfying customers by getting rid of that old, erratic, "50%, more or less" delivery standard necessarily meant involving carriers as a partner in General Foods' overall distribution setup. The market-centered sales-service plan was designed to do just that—and at the same time to meet GF's own key responsibility to distributors of its products.

The first such center was established, on a pilot basis, in Boston in November 1957, with five basic objectives and "a

confident hope that we could meet them." Less than a year later, the system was extended to Memphis, Tenn., with the same objectives offered to customers "not as hopes, but as flat guarantees." Additional centers have since been opened, or are being built, at Youngstown, Ohio; Atlanta; St. Louis; Minneapolis; Wilmington, Del.; Cincinnati; Clifton, N. J.; Camp Hill (Harrisburg), Pa.; Chicago; Detroit; Denver; Dallas; Los Angeles; San Leandro, Calif; and Portland, Ore.

At all 17 of those locations, General Foods will maintain its own office and supervisory forces. At 13, it owns and operates the property. At the other four, it leases space from public warehousemen who do necessary physical storage and handling on a contract basis.

Centers Individually Designed

Organization and operation of the several centers varies in some details, because each is individually designed for the market area it is intended to serve, in terms of product volume, seasonal factors, trading areas, business practices, turnover rates and available

(Continued on page 27)

'Railroads Should Find Out What Customers Want'

"We'd like to see railroads pay more attention to the same customer-oriented philosophy we try to follow here."

That statement comes to Railway Age from Arthur C. Schier, traffic vice president of General Foods Corporation.

"We," Mr. Schier explains, "want to make it easy for our customers to want to do business with us. That's why we have put so much thought, time and money into development of our Sales and Distribution Center plan; why we have gone to great lengths to work out with our customers and our carriers individualized service and delivery plans.

"We think the railroads, too, should try to make it easier for their customers to want to ship by rail.

"It is encouraging to us—and I'm sure it is equally encouraging to other industries, also—to see the number of transportation research departments which railroads are establishing, and the evidence which those departments provide of railroad interest in finding out what their customers want. But they still have a long way to go to fully understand and adapt themselves to changing patterns in transportation. They ought to be contacting us—selling us on new patterns instead of waiting for us to sell them. That's what we want—for emphasis on selling to come from the carriers; not the customers."



*"You can save more than half
at our newest low rates;
and perhaps even more
on heavier weights"*

—says the Railway Express Eager Beaver



New low rates apply on a large number of commodities—and savings are substantial, up to 60% in some instances. And there's no extra charge for door-to-door delivery within published limits. Keep this in mind when you're shipping or receiving. Call your local Railway Expressman today for details of our Eager-Beaver Service! (You get Eager-Beaver Service when you ship Air Express, too!)

LET THE EAGER BEAVER DO IT!



GF WANTS RELIABILITY (Continued from page 25)

transportation facilities. Operations of each center are further tailored to the individual needs of each customer in the area—his method and frequency of ordering, his way of handling merchandise, his own sales program.

Have Common Objectives

But all the centers have the same fundamental objectives:

- Individualized service for each customer, on the basis of a complete plan worked out with and for him, and including maintenance of a complete service record.

- Improved order taking and delivery procedures, as well as better shipping and handling.

- Delivery of products on a dependable, rapid basis. This means, in action, that each shipment is scheduled to arrive at the customer's warehouse within a certain time agreed upon in advance with him and with the responsible carrier. If, for any reason, a freight car or truck cannot meet that schedule, the customer is notified ahead of time, given the reason, and told when the shipment can be expected.

- Ready and complete information on orders, shipments and sales, i.e., when an order is to be shipped, what carrier will haul it, and when it will arrive.

- Greater inventory turnover, lower capital investment and reduced warehouse space, for the customer, made possible by the greater delivery dependability of the S&DC system.

Attainment of all these objectives—with the possible exception of the first—requires full and complete coopera-

tion by all carriers serving each of the 17 centers.

To get that, whenever General Foods establishes a new center, it holds "open house" for operating and traffic representatives of all railroads serving any GF customer reached by them and supplied from the warehouse in question. It holds an identical meeting, on another day, for corresponding representatives of common carrier truck lines.

At these meetings, GF traffic people explain that the carriers are "in partnership with General Foods to serve its customers. They outline the company's philosophy of "making it easier for our customers to want to do business with us." They point out that dependable replacement of inventory is an essential ingredient of that philosophy; that doing business as the customer wants it done is another. They answer carrier questions. They work out, face to face with the carrier people, attainable schedules; thresh out possible problems.

As a result, General Foods is able to include in its "Customer Service Standards" these significant points:

- "Dependability of order handling and delivery service is guaranteed. Shipments should arrive on the specified day agreed upon with the customer at the time the service plan is developed.

- "Maximum rail transit time from the sales and Distribution Center to customer's siding shall be three days (third-morning delivery). This is the outside limit to any one point. Individual customer deliveries will be scheduled for precise arrival—one, two or three days after shipment. Deliveries before or after the scheduled date do not meet



George Perry, general manager, Distribution-Sales Service division.

the standard for delivery performance. The objective is 90% or better performance.

- "Truck transit time [except LTL] shall be 24 hours (overnight) from the S&D Center and from satellite warehouse points. In certain locations, the third or fourth order on a split truck may be regularly scheduled for second-day delivery. All full truckload orders must be delivered the day after shipment. The objective is 90% or better performance.

- "If delivery of merchandise cannot be made on the scheduled day, the customer will be advised by the Sales Service Office before the order is normally scheduled to arrive.

- "Loading method used for rail cars and trucks will take in the needs of customer warehouses."

Delivery times, Mr. Schier explains, may vary from customer to customer. Warehouses, for example, have been so located that third-morning rail delivery can be considered the maximum to any customer in their territory. In actual practice, most rail shipments are delivered overnight (first morning) or second morning.

But delivery times to any given customer may not vary from established schedules on more than 10% of all shipments.

In other words, so long as its customer is happy, General Foods doesn't care too much whether shipments from, say, Atlanta to Pensacola arrive first morning, second—or third. Once the schedule is established, it and its customers can gear their own operations accordingly.

But if the carriers involved promise second-morning delivery, then second morning is what it has to be, ninety times or more out of every hundred. If it isn't, some other railroad—or some

(Continued on page 32)



ONE OF General Foods' many products—individual-service packs of Post cereals—is packaged for shipment at Battle Creek, Mich.

SOMETHING **NEW** IN RAILROADING...

"CREATIVE CREWS"



Outboards for Antwerp: Flexi-Van shipment of U.S. motors from Minneapolis achieves 3rd-morning delivery at New York quayside; reaches foreign consignees unopened and undamaged despite transfers en route from flatcar to ship's hold and finally to truck in Belgium.

Now they're pioneering new methods of "go-how" in U.S. and foreign trade

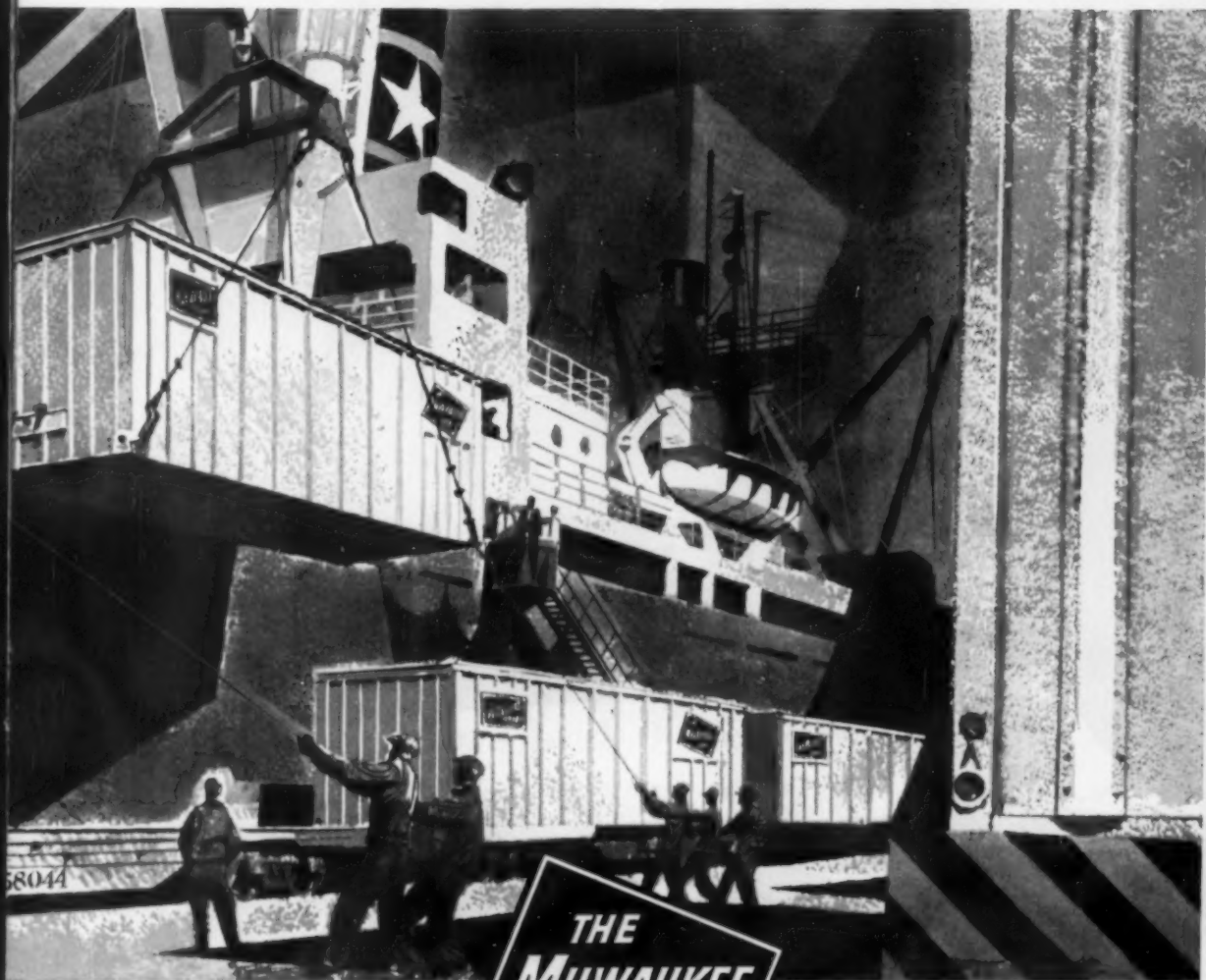
We hope to *anticipate* shippers' wants in the current world trade boom. Cooperating with a steamship company and an eastern railroad, our Foreign Freight Traffic and Flexi-Van personnel helped develop this new safer, damage-free method of moving freight internationally.

● One of the more dramatic ideas involved is the

concept of "containerization." This is the packaging of *entire shipments* in specialized Flexi-Van "containers" adaptable to many forms of transport. They are so versatile they can travel by railway, highway, or waterway—even go overseas without special export packing of the merchandise!

The Milwaukee Road's Creative Crews specified

of the Milwaukee Road



**THE
MILWAUKEE
ROAD**

America's resourceful railroad

unique *attachments* on the containers to facilitate handling by marine loading equipment. And we have *purchased* the Flexi-Van containers and vehicles necessary so that we could offer our customers this speedy interchange with shipboard marine traffic. *On order* right now are several experimental-type Flexi-Van "containers" for liquids and chem-

icals, to extend this service to more shippers.

The Creative Crew concept is at work everywhere on the Milwaukee Road—pioneering new ideas, breaking with old traditions, bringing *idea-power* to bear on problems large and small. That is why today's alert management groups recognize the Milwaukee as America's *resourceful* railroad.

Route of the Super Dome Hiawathas and Western "Cities" Fleet



Cook-outs start where the WM rolls

Kingsford Charcoal, a popular favorite with cook-out chefs, comes from a modern plant in West Virginia.

And there are a lot of sound reasons for locating here, where the Western Maryland rolls...

West Virginia has everything a big plant needs. Raw materials in abundance. Water... coal... and cheap power. Skilled and unskilled workers who are proud of their homes... their communities... their jobs.

What's more, there's the quick, efficient transportation that comes from being located on the

progressive WM, one of America's truly up-to-the-minute railroads.

This railroad offers all industry a complete plant site selection service. For friendly, capable help in locating along its lines, phone or write:





Load dividers and 8-foot-wide doors for the newest 1,000 P.F.E. "sub-zero" cars!



In this latest breed of mechanical refrigerator car, movable load dividers protect and separate shipments. And for fast loading and unloading, 8-foot-wide doors and reinforced floors let lift trucks roll right in.

These "box car" benefits are included on all 1,000 new cars now joining the Pacific Fruit Express refrigerator fleet — jointly owned by S. P. and U. P., and largest in the nation.

What else is new? All-welded bodies and external side posts improve insulation efficiency. A two-speed refrigeration system controls temperatures from below zero to 70° F., for as long as 20 days without refueling. Car capacity has been increased to 3,174 cubic feet.

These features mean *flexibility*...the kind that enables S. P. to bring you ever more efficient freight service, whether you are shipping fresh or frozen foods *east*, or non-perishable freight *west*.

Southern Pacific

serving the West and Southwest with

TRAINS • TRUCKS • PIGGYBACK • PIPELINES

other truck line—is likely to be getting new business.

To insure maintenance of its standardized schedules, each warehouse keeps a detailed individual "Delivery Service Record" for each customer who normally orders 3,500 lb or more of Post, Jell-O and Institutional Products Divisions' products for delivery in one shipment; 1,000 lb or more of Institutional Products Division products for delivery in one shipment; or 200 cases or more of Maxwell House Division products. (Viewed from the shelves of a corner grocery store, those quantities seem large—but most of GF's customers are wholesalers, chains or institutions, so the delivery record does, in fact, cover nearly all of them.)

Purpose of this record is "to compare actual performance to scheduled service established for each carload, truckload and split truck customer." General Foods considers it "important to the success of the distribution-sales service program calling for receipt of products on a dependable, rapid basis"; thus, it is initiated as soon as a customer places his first order for the minimum quantities listed.

Keeps Accurate Records

The record is in two parts—standard data applying to the delivery plan itself, and variable data applying to each order.

Under delivery plan data, the "Train Schedule and Routing" is described in detail—the time cars are released at the warehouse; scheduled delivery time to connecting railroads, and name or names of such roads; train numbers and schedules; and planned time of placement at destination. "Motor Carrier" data includes names of connecting carriers, if an interline movement is involved. "Scheduled Elapsed Time" shows the allowable number of days from the date an order is taken to the date it should be available to the customer. "Scheduled Transit Time" shows the allowable number of days from actual shipping date to customer-available date.

Under "Data on Each Order," the Customer Notified" column is to show the initials of the individual contacting a customer if a delivery is not on schedule, while the "Comments" column is reserved for explanation of delayed shipments. Carriers, incidentally, are expected to notify the General Foods warehouse promptly of any delays. Railroads, additionally, are expected to report when outgoing cars are placed in road trains. This ad-

vance notice, plus the insistence on maintenance of precise schedules, often permits a shipper to give the delivering railroad switching instructions before a car reaches its destination.

The importance which General Foods attaches to the Delivery Service record is indicated by the instructions which accompany it:

"Information on each individual shipment, except date available to customer, will be recorded daily by the Orders and Inventory Section. Delivery information will be entered by the Traffic and Transit Section on a daily basis as information is received from carriers. Customer notification (telephone) on delayed shipments will be made by the District Sales Service Manager or by a responsible person delegated by him. This notification will be made immediately upon receipt of information from a carrier, and should never reach the customer after the scheduled arrival day.

"The Customer Service Delivery Record should be reviewed on a regularly scheduled basis by the District Sales Service Manager and the Administrative Manager to insure that established customer performance criteria and standards are being attained. Action should be taken to correct failure on the part of either General Foods or the carrier."

Observes Its Own Standards

As the last sentence of those instructions indicates, General Foods applies to itself standards just as rigid as it expects from transportation companies.

For its own warehouses, it has strict operating rules setting up a definite shipping schedule for both regular and emergency orders. Regular orders, for example, shall normally be loaded and released to the carrier the day after receipt of the order at the Sales and Distribution Center—except, of course, where the customer specifies shipment at some later date.

Emergency orders in excess of 3,500 lb (200 cases of Maxwell House) which come in up to four hours prior to normal warehouse closing time must be shipped that same day. Emergency orders for smaller quantities must make same-day shipment if received up to two hours before closing.

It wasn't entirely easy, Mr. Schier concedes, for General Foods to "sell" its customers on its new distribution set-up. Because most of those customers buy in large quantities, their orders are logically routed by rail. Yet

many of them tended to resist rail routing because:

1) They had come to feel that there was no such thing as dependability in railroad service.

2) The high damage level in rail shipments made them reluctant to accept General Foods' sales terms, under which title to goods (and consequent exposure to loss or damage) passes to the customer at point of shipment.

3) The steadily increasing cost of unloading railroad cars made shipment relatively expensive, when contrasted to the general truck policy of delivering merchandise onto pallets on the receiving platform.

Fortunately for the railroads, however, these complaints have been largely overcome—the first by General Foods' own insistence on maintenance of set schedules; the second and third by railroad provision of more and more special equipment, which successfully minimizes both damage in transit and unloading cost at destination.

As a further service to its customers, General Foods is actively participating in tests and operational usage of new equipment and new methods as they become available. Its experiments in that direction extend also to its warehouse loading methods, and even to ways of packing its own products.

Already, for example, it has gone on a "very substantial" scale to shipment of palletized units between its manufacturing plants and its own warehouses. It is beginning gradually to try out similar delivery of palletized merchandise from its warehouses to its customers. And it is experimenting with the Evans overhead door "Quick Loader" car with "substantial economies in loading and unloading and almost total elimination of damage."

Loads for Customer Convenience

One of its customer standards specifies that "Loading methods and procedures used for rail cars and trucks will follow the needs of customer warehouses." Generally, according to Mr. Perry, this means:

"Each product code will be placed in one spot in the car.

"Heavy cases will be put in the lower tiers.

"Larger cases will be put in the doorway.

"A set-back will be made from doors and door posts.

"Loading diagrams will follow customers' wishes, if practical, to maximize (Continued on page 56)



rustfree, corrosion-resistant

Railyard Equipment

made with Reynolds Aluminum

cuts maintenance costs, serves longer

signs...fencing...electrical conductors...paint...building products



Reynolds Aluminum in Railyard Equipment Resists Corrosion, Won't Rust

Railroad costs (and profits) are not all on the rolling stock. As any cost-minded railroad man knows, maintenance, replacement, and servicing costs in railyard equipment can be a major item on the balance sheet.

That's why you see more and more Reynolds Aluminum used in this equipment—in cross-buck and operating signs, chain link fencing, electrical conductors and equipment, and yard buildings. If there was ever a material designed to cut long-term costs, it's aluminum . . . and this is especially true for railroad applications.

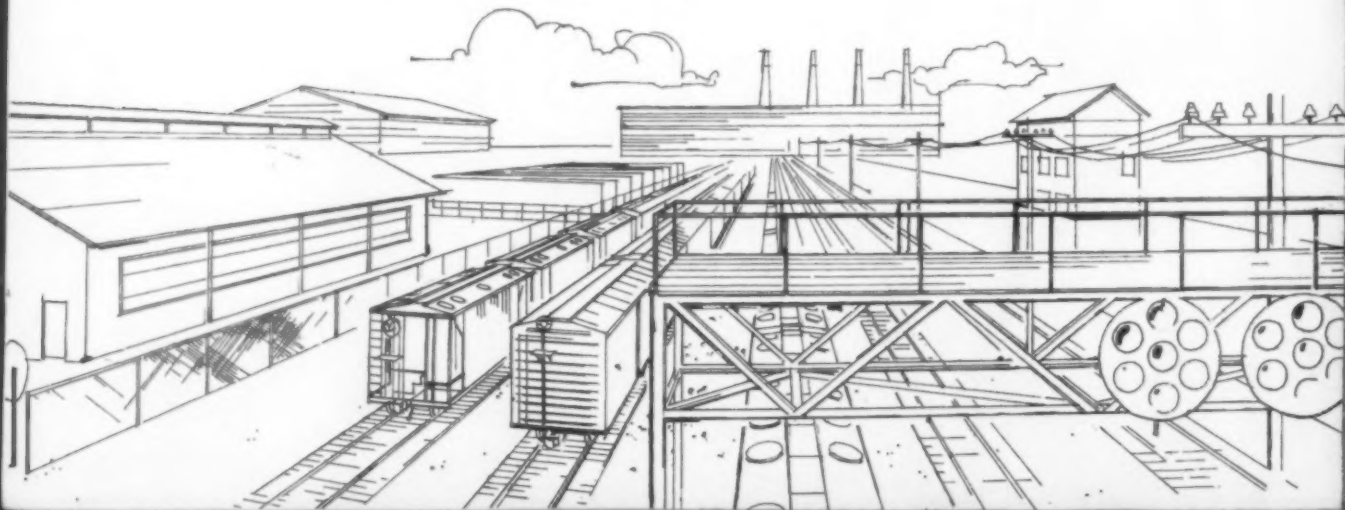
Aluminum won't rust, ever, and it stays bright and strong even in smoky, corrosive railyard atmospheres. This means maintenance and replacement costs are lower with aluminum

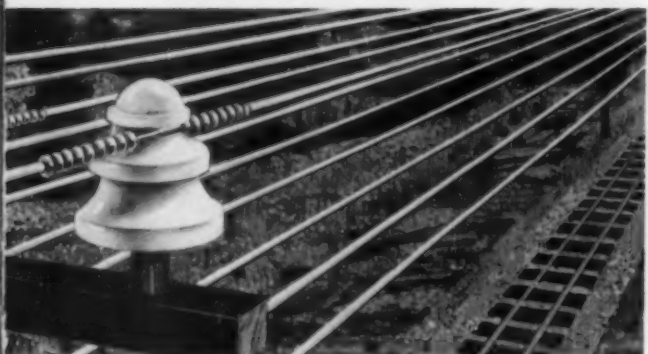
equipment. It means little or no protective maintenance, longer, more trouble-free service.

Weighing just one-third as much as steel, aluminum can help cut installation costs. An aluminum structure is often erected with less labor, in less time. And, aluminum is often more economical to start with: aluminum cables are much lower in cost than copper conductors.

Light as it is, aluminum is stronger than steel, pound for pound. It can take all the punishment of regular railyard duty, serve for years and years with a minimum of attention or repair.

Wherever *long-term* service and costs are considered—maintenance, repair, and replacement costs—aluminum equipment can be the answer to railyard operation problems.





Signs, both operating and crossbuck, serve longer, cost less to handle and install, require less maintenance when they're made with Reynolds Aluminum. Crossbucks made with Reynolds extrusions never rust or rot; they resist corrosion from coal smoke and diesel exhaust. And they're *strong*, strong enough to take winds up to 100 mph. Aluminum is lightweight, so these signs are easier to handle, ship, and install. Reflective coatings are easily applied.

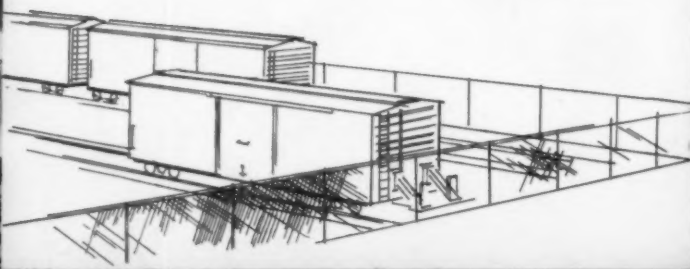
Chain link fencing of Reynolds Aluminum never needs protective maintenance. It can't rust; it resists corrosion from industrial and salt water atmospheres, as well as many chemicals. When you consider that long-term upkeep of ordinary chain link fencing can cost more than the fence itself, aluminum's "care-free" qualities spell economy. The lightweight strength of aluminum fencing pays off, too. This fencing is strong and durable. It's easier to handle, easier to install.

Electrical conductors using Reynolds Aluminum are available in a wide variety of forms. For railroad signal, communication, and power circuits, Reynolds ACSR (Aluminum Cable Steel Reinforced), and the all-aluminum, high strength 5005 Reynolds Cable provide the best possible combination of strength, conductivity, light weight, and low cost. For bus systems, Reynolds Aluminum Bus Conductor offers more conductivity per dollar, high strength, and light weight for easier installation.

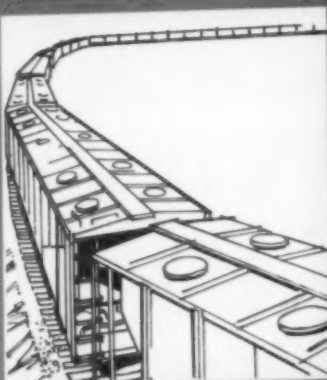
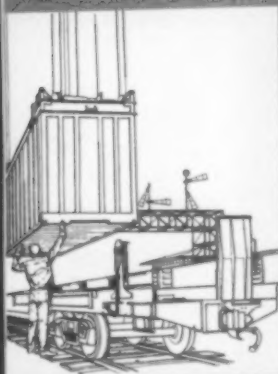
Aluminum paint actually puts a tough metallic shield on any metal, wood or masonry surface. In addition to giving a bright new shine to buildings or equipment, a coat of aluminum paint prevents rust, guards against corrosion and deterioration. Paints and roof coatings made with Reynolds Aluminum Pigments are good heat reflectors, so buildings with aluminum-coated roofs stay cooler in summer. Paints and roof coatings made with Reynolds Pigments are available in natural aluminum and handsome colors.

Building products of Reynolds Aluminum—roofing, sheet, siding—have been proven in hundreds of thousands of homes, commercial, industrial and farm buildings. These strong, lightweight, rustfree products virtually eliminate maintenance problems. They are available in natural aluminum finish or a wide range of attractive pre-painted colors that stay new-looking for years. Because aluminum is light in weight, building costs can often be cut, construction speeded. Reynolds Aluminum, in pre-fabricated or site-fabricated buildings, is made for long, trouble-free railyard duty.

Write for details on equipment made with Reynolds Aluminum... see next page



For Aluminum for Railroads ...Reynolds Aluminum



Aluminum is not just one metal; it is many metals. And knowing which alloy to use—in which form—for any given railroad application is something that comes only with experience. That's why so many railroads turn to Reynolds Aluminum.

For years, Reynolds engineers have worked with railroad men and leading railroad equipment suppliers to develop and produce the precisely right kinds of aluminum products for railroad work. These are the "aluminums" designed to provide better service for shippers, lower costs and increased revenues for operators.

Railroad applications of aluminum are just a few of these developments. Reynolds Aluminum is doing the same job for shippers and railroad operators in box car doors, roofs and inner-liners; in refrigerator car doors, flooring and floor racks; in cross-members, containers, and bridge plates; and in the new all-aluminum hopper and gondola cars.

For details on the use, fabrication, or design of aluminum products for railroads, contact your local Reynolds Sales Office. Or write *Reynolds Metals Company, P.O. Box 2346-TM, Richmond 18, Virginia.*



REYNOLDS ALUMINUM

Watch Reynolds new TV show "Harrigan & Son", Fridays, starting October 7; also, "All Star Golf", Saturdays, resuming October 15—ABC-TV. And on Sunday, October 16, be sure to see the exclusive showing of America's new 1961 cars on The National Automobile Show, direct from Detroit over CBS-TV, 6 to 7 P.M. EDT.

How to Keep Industrial RRs Safe

By **CHARLES A. GOODWIN**

Traffic and Transportation Engineer
Liberty Mutual Insurance Co.,
Boston, Mass.

► **The Story at a Glance:** The following article is abstracted from a series of papers on railroad safety prepared by Mr. Goodwin for the benefit of policyholders in Liberty Mutual, one of the world's largest underwriters of industrial insurance. The safety facts which Mr. Goodwin emphasizes are applicable by industrial traffic managers responsible for operating or using in-plant rail facilities. They are equally applicable by railroad engineering, operating, signaling and safety officers whose duties include liaison with industries having in-plant rail trackage or equipment. Part I of Mr. Goodwin's papers appeared in *Railway Age* July 25, beginning on page 40.

PART II—Grade Crossings

While it is not established, statistically, what percentage of grade crossing accidents are related to industrial plant operations, the overall loss in life and property is significant enough to warrant special consideration.

Unauthorized Crossings

Some of the most serious accidents are caused by the carelessness and indifference of employees crossing tracks at unprotected locations, particularly at shift release. To save a few minutes, employees take "short-cuts" through, under or between freight cars on spur tracks and emerge directly on switching or main line tracks which must be crossed to reach their destination.

Another common example of unauthorized crossing occurs off plant premises. Employees leaving the plant on foot may select a route to bus, home or shopping center which crosses main line tracks. While control over such unsafe practices is beyond authority of plant management, some efforts can be made to educate employees against incurring such exposures. Management is in position to report instances of trespassing to the railroad, which may take proper enforcement action or erect suitable barricades.

Control of Plant Crossings

At many locations within plant premises, even standard clearances may not give enough protection where tracks pass doorways, building corners, or

other places where workers may walk directly onto side tracks. These locations may be safeguarded with fixed pipe railings which force pedestrians to detour a short distance for better visibility before stepping near a track. Gates, hinged to swing horizontally, may be effective when fixed railings are impractical. Audible and visual warning signals may be required as additional protection to warn of approaching train movements.

Highway Crossings

Where main line railroad tracks cross approach or adjacent public or plant highways at grade, special protective devices are required. The type of device will vary according to number of vehicles, number of trains, number of tracks, sight distances, etc.

With few exceptions, installation of grade crossing protection at industrial plants, to protect plant vehicles and employee movements on the premises and approach roadways, is a responsibility of the industrial plant. Approval for such installations by public utility commissions and the railroad usually stipulates that the industrial plant shall bear the major share of the expense for the device and its installation.

As a general rule, any grade crossing of street and track, over which trains, vehicles and pedestrians require access simultaneously, frequently, or for extended time intervals, should be protected by visual signals, which warn of approaching trains. In addition, advance warning signs should be placed on all highway approaches to the crossing to warn of the proximity of tracks.

The most effective type of protection is afforded by automatic gates and flashers, with a combination unit on each side of the tracks at the right side of the roadway. Less complicated but, in most cases, equally effective is the front and back flasher device, without automatic gates. This is most commonly used at industrial locations, since it is less expensive and has no mechanical parts to be maintained.

Considerable emphasis can be given to industrial area grade-crossings, over which movements occur during dusk or darkness, by provision of sodium or mercury vapor luminaires. Because of their distinctive yellow color, sodium lamps provide a better cautionary identification of the railroad grade crossing to compel a driver's attention and recognition of hazard.

Special pedestrian facilities, e.g., footbridges and tunnels, may be warranted where employees are required to

cross main line railroad tracks to enter or leave plant premises. The usual condition which justifies installation of pedestrian overpasses and underpasses is when plant layout necessitates provision of parking areas on the opposite side of main line tracks from the plant. The number of employees required to justify a grade separation crossing of main line tracks during shift changes or release should exceed 100.

To force employees to use expensive pedestrian bridge or tunnel installations, fences can be erected on both sides of the tracks for an appreciable distance along the railroad right of way, eliminating any possibility of crossing tracks at grade level.

Provision of such grade separations as bridges and tunnels for vehicular traffic is usually too great an expense to be borne by an industrial plant. Such projects fall under the jurisdiction of local, county or state highway authorities and are subject to whichever federal regulations may apply to railroad right-of-way. The difficulty of a plant procuring special vehicular grade separation facilities places great importance on providing adequate protection at grade level crossings.

PART III—Yard Tracks

A system of industrial plant yard tracks is made up of all elements common to yard terminal tracks of a major railroad. Layout and maintenance of such a system must, of necessity, conform to established American railroad standards, since it is basically an extension of the railroad that is the carrier for the plant.

Minimum clearance requirements should be observed. Curves should be level at loading points. All tracks with grades descending toward a main ladder track should be provided with derails. All frog heel and toe spreads, switch turnout openings, and guard rails should be blocked by wood or metal to prevent employees from getting their feet caught between rails. Manually operated switch stands should be equipped with handles swinging parallel to the track with adequate clearance. Signal targets should be rounded at the corners. Crossings require surface leveling between rails and on each approach at the height of top of rail.

Adequate illumination of yard tracks is important to night operations. A lighting level of 5 ft candles is recommended, particularly at crossings and where repetitive shifting or unloading operations take place. Considerable

emphasis can be given to crossings and work areas by sodium vapor lighting which emits a distinctive yellow color with high visibility and compulsory cautionary identification.

Since a system of yard tracks usually includes considerable area for yard storage of bulk materials, controls should be established to maintain stable slope angles and marginal clearance limits of 6 ft for stockpiles.

Yard Equipment

At most industrial locations with large plant railways, freight cars are leased from the carrier railroad, or may be owned outright. In either case, the industry usually is held responsible for care and upkeep of rolling stock and safe loading thereof. Accidents to railroad employees resulting from defects arising out of the industry's negligence may be charged back to it as costly liability claims. A regular program of car inspection, with facilities for repairs, should be part of any large plant railway operation.

It is advisable that some type of dead-

man control be installed on locomotives. The mounting of reflectorized boards of alternate light and dark striping on the front and sides of locomotives will serve to greatly increase visibility. All locomotive equipment, including cranes, should be provided with distinctive exterior lights for night work, and audible bells or horns to be sounded when the equipment starts to move or approaches grade crossings, doorways, etc.

Locomotive cranes and traveling gantry cranes should be subject to the same requirements, i.e., audible bell or horn signals when motion is started, continuous communication between train and yard crews, etc. Locomotive cranes, when working stock piles across adjacent tracks, should be allowed sufficient clear width for the crane to turn with the boom directly over the load to eliminate unbalanced lifting of heavy loads. All car movement on adjacent tracks over which the crane or boom may swing should be suspended during operations. Stockpiling of materials requiring use of cranes should be avoided in areas with overhead power lines.

Some system of interlocked signals, visible to both crane operator and switch crews, is recommended on tracks serving gantry cranes to eliminate the hazards of crane loads or hook blocks striking locomotives or cars while switching takes place. Whatever signal system is used should be set against movement of the crane during switching operations.

Train and Yard Crews

Industrial employees assigned to operation of plant railways should be subject to the crane safety rules and operational practices pertinent to work on or about rolling stock, control of train movements, and track maintenance established by the American Railway Engineering Association, 59 East Van Buren st., Chicago 5.

All devices and tools pertinent to safe railroad yard work and maintenance should conform to American railroad standards, including portable lights, flags, flares, hopper wrenches, push poles, wheel chocks, derails, clearance posts, etc.

Railroading



After Hours with

Jim Lyne

PAN-AM RAILWAY CONGRESS—I've just got hold of a copy of the program for the Pan-American Railway Congress, to be held in Brazil, October 12-27. There's quite an agenda for looking over the country's railroads, in addition to the formal meetings. The sessions start at Rio, move over to Sao Paulo for an equipment exhibition, and wind up in Brasilia, the country's new capital. I hear there is a sizable delegation planning to attend from the U. S.

KEEPING UP-TO-DATE—My friend Dick Overton, the railroad historian, has written me from Europe where he's been riding around on the railroads. He's rather enthusiastic about the modernity of the railroad equipment he has encountered on the Continent (for example, in France and the Netherlands), but believes the British railways still have a lot of catching up to do.

The British railways got behind in their capital improvements at the time of World War I and, from what I've seen and read, never succeeded in getting caught up. Their lack of earnings with which to keep up-to-date probably had a lot to do with the acquiescence of the public in their nationalization, following World War II. The word is, though, that their capital improvements program is now going forward vigorously.

Lack of capital to keep up-to-date, it seems to me, is just about the worst thing that can happen to a railroad—because, once people get to thinking you're obsolete, almost anything bad can happen to you, and probably will, and nobody will care.

PRIVATE CARS FOR BUSINESS—I've just been reading a clipping with an Akron dateline, telling about C. L. Steppe, a business man from Athens, O., who has purchased himself a private railroad car to do his traveling in. He is quoted as saying that he owned a yacht and sold it, and a private plane and sold it, and now he has the kind of vehicle he's really wanted all along.

I'd guess that, once the initial purchase price had been paid, the cost to a man of means of traveling in his own railroad car would run a lot less than the operating cost of a company plane. Most big companies have planes by the dozen, but not many are operating private railroad cars, these days.

ROMNEY & RAILROADS—The career of this chap George Romney who heads American Motors has interested me for a long time. He seems to have succeeded in equating the selling of his compact automobiles with a moralist crusade for thrift, and for abstention from self-indulgence and ostentation. I cannot doubt his sincerity, either, since I recall having heard him at close range, a number of years ago, discussing his deep religious convictions.

Turning from automobiles to railroads—I doubt if there's any other industry in the country which is more sacrificially loyal to the principles of private enterprise and the free market than the railroads are. But it just doesn't occur to most railroaders to take much credit for this loyalty, thereby putting themselves in the ranks of the militantly righteous, as they could do justly; and as Mr. Romney appears to have succeeded in doing.

There's a MARK-20 in your future



One MARK-20 shipper is saving \$1400 a trip! And this is only the savings on freight rates. Handling and paperwork costs are also slashed when you ship 20,000 gallons in *one* car.

Savings like these are why there's a MARK-20 in your future if you're interested in cutting distribution costs.

The MARK-20 is the most modern and efficient tank car on the rails. And you don't invest a cent of capital to get these cars in your full-time service. We'll supply them tailor-made to your specifications...coiled, insulated or compartmentalized. Why not let us apply our logistics experience to your bulk liquid shipping and storage problems. Write or call NORTH AMERICAN CAR CORPORATION, 231 South LaSalle Street, Chicago 4, FI nancial 6-0400.

IF IT'S NEW IT'S

**NORTH
AMERICAN**



FLEXIBLE BULKHEAD, developed by Signode Steel Strapping Co., is made of two-ply Kraft linerboard reinforced with steel strapping. Either of two sizes is installed

by fastening ends against car sides. Floor flaps extending inward under the load increase holding power and guard against leakage.



IMPACT TESTS show, Signode says, that the bulkhead can utilize self-contained weight of bulk commodities to hold them securely during transit.



FOR UNLOADING, the bulkhead is simply cut from bottom to top, and the cut ends tacked or stapled to car walls while load is removed from car.

Ideas For Better Shipping

Bulkhead 'Rolls with Punch'

The weight of loose bulk loads can now be put to work for a shipper—instead of against him—by Signode Steel Strapping Co.'s new steel-reinforced flexible bulkhead.

The new device utilizes the self-contained weight of commodities like potash, bulk clay, rock salt, fertilizers and roofing granules to restrain load movement by pressing tight against freight car walls the extended sides of bulkheads flexible enough to "roll with the punch" of in-transit impacts.

A pair of the new leak-proof bulk-

heads weighs only 70 lb, which the manufacturer says is about one-sixth the weight of lumber needed to produce the same load-restraining effect. Installation is said to take only one-quarter of the time required for wooden bulkheading.

Unloading, Signode claims, is equally easy. The load is held in car ends, to avoid spillage when doors are opened. Cutting the bulkhead and tacking cut ends to car walls gives free access for mechanical unloading equipment.

The bulkheads are available in two

models, 4 ft and 6 ft high. The 4-ft model has 11 3/4-in. by .020-in. steel straps laminated between two plies of 150-lb heavy-duty Kraft linerboard; the 6-ft model has 15 such straps. Floor flaps which extend under part of the load to increase holding power and guard against leaks are 6 in. and 8 in. deep, respectively.

Further information on the fully-tested and finally-approved bulkheads is available from Signode Steel Strapping Co., 2600 North Western Ave., Chicago 47.

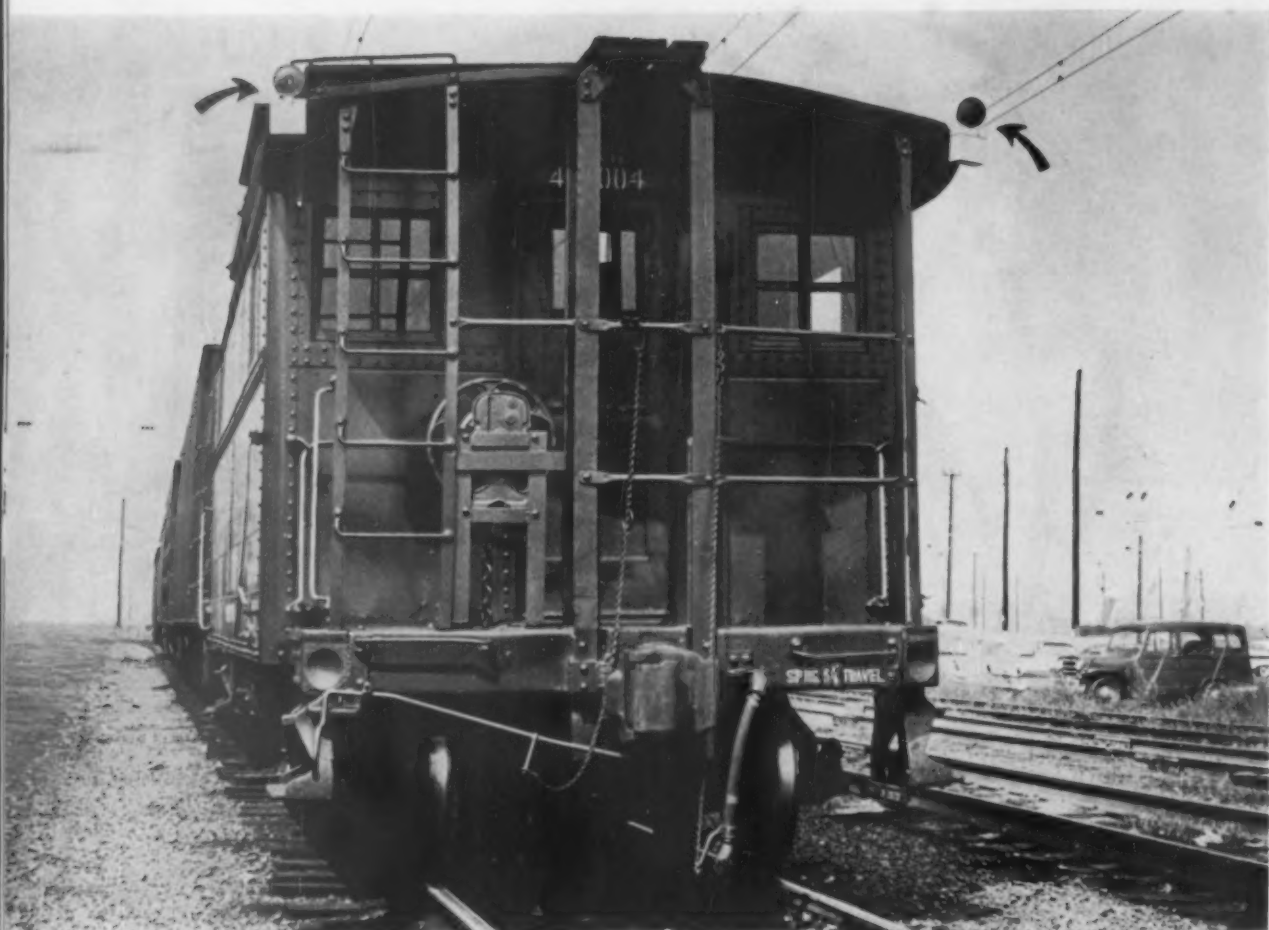


**ship
Southern
and see!**

There's nothing like courteous, competent help on transportation matters to make a shipper's or receiver's face light up with a smile of satisfaction. We know—because we see it happen so often. Ship Southern and you'll see, too!



SOUTHERN RAILWAY SYSTEM



ELECTRIC FLASHING BARRICADE UNITS are replacing conventional oil marker lamps on parts of the PRR system.

Two 6-volt dry batteries provide tenth-of-a-second flashes for some 1,200 hours. A switch turns units on and off.

PRR Uses Flashing Markers



When PRR Vice President (Transportation & Maintenance) Park Roeper happened to take a "Broadway Limited" lounge-car seat next to a manufacturer of warning flasher lights, a new departure from conventional oil lamps for train markers was born. Following the conversation between Mr. Roeper and President McDermott of the Julian A. McDermott Corp., a standard highway barricade flashing unit was adapted for train use by the addition of a mounting bracket and a 360-deg swiveling head.

Initial installations made to PRR specifications by the McDermott Corp. and the R. E. Dietz Co. have been

REFLECTORIZED DISCS along with the flashers are also being tested in various conditions. One or the other will eventually replace all oil markers.

tested in train operations during the last six months under the supervision of W. G. Salmonson, manager of operating rules. The first installations were on PRR cabin cars operating in the Delmarva district of the Chesapeake Region. Other units were installed on cars on the main line of the Northwestern Region.

Light units of the electric flashing markers are arranged with a red lens on one side and a yellow lens on the other. The swivel permits a red flashing light to be displayed on main tracks and yellow to be shown when the train leaves the main track in manual block territory.

Power for the units comes from two standard trainman's hand lantern batteries of 6 volts each. A transistorized

(Continued on page 47)

How do you measure a Railroad?



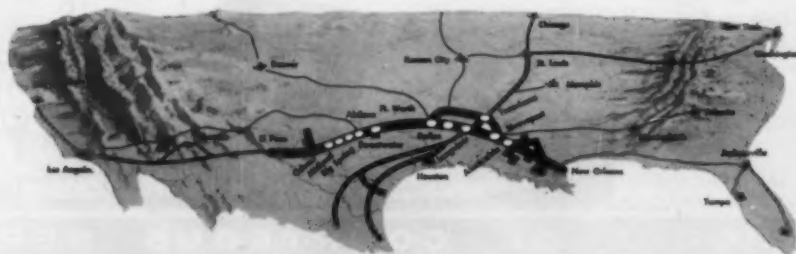
Is it by so many miles of track? So many box cars, flat cars, hoppers, DF compartmentalizer cars? You could figure it that way because all of these things are essential. But the real yardstick for measuring a railroad is the quality and character of its service . . . that personal touch, that something extra. We take real pride on the T & P in providing our customers with that "beyond-the-

Your helpful

call-of-duty" service . . . not now and then, but consistently, day after day. Over the years, we've learned that our service must measure up to our customers' needs . . . and a little more.

Giving our customers a full measure of service . . . and a little more . . . is the policy the folks on the T & P live and work by.

TEXAS AND PACIFIC RAILWAY





IS A HABIT WITH SEABOARD

These carpenters are railroad men, too — part of the Seaboard organization which works "behind the scenes" to offer you thoroughly modern freight transportation to and from the Seaboard Southeast.

Upgrading, to us, means not only the refurbishment of equipment to accommodate today's varied freight requirements, but the adoption of every practical development for bettering all phases of Seaboard freight facilities with each passing year.

Transportation is our business, and we want your business — your steady, repeat business. Upgrading our plant while retaining our reputation for friendly, personalized service is the best way we know of to insure your continued confidence.



Seaboard now offers Piggyback facilities between principal points on its line and Northern cities.

SEABOARD

AIR LINE
RAILROAD



THE ROUTE OF COURTEOUS SERVICE



two of the world's luckiest commuters

They're among those who
will be riding the world's first and
only completely new commuter fleet...

That's because
the North Western Railroad decided
that the commuter problem
could not be solved piecemeal.

So, very soon,
all Chicago & North Western
commuters will enjoy the
world's finest suburban service.

Daily, they and thousands of their fellow commuters will ride in maximum safety and comfort between the suburbs and Metropolitan Chicago in 200 well lighted, air conditioned, electrically heated, new double-deck coaches. This new equipment gets its utilities from the engine, for utmost simplicity and dependability. Car interiors are attractively decorated and make full use of easy-to-keep-clean plastics and aluminum. Tinted safety glass picture windows add to passenger comfort, pleasure and protection. Seats are covered with clean synthetics and are comfortable for paper-reader and dozer alike.

And what about operating efficiency? For some time now the North Western has been the first American railroad to prove the advantages of a concept called Push-Pull. You see, it formerly took a lot of time and switching to couple an engine onto a train outbound from the Chicago "stub" terminal. Now, through Push-Pull, the engine stays at the away-from-the-terminal end of the train, pushing its cars into the station, pulling them when outbound to the suburbs. Personnel have the train under complete control at all times, operating it from the engine when on the way out, and using special remote controls built into the head end cab cars when the cars are being pushed in.

This procedure means fast and highly efficient service to the commuter. Now a train can enter the terminal, discharge its hundreds of passengers, reload and be on its way back for another load of suburbanites in less than ten minutes. This kind of operating foresight allows the North Western to meet the demands of peak morning and evening rush hours, and still maintain a frequent and convenient schedule of shorter consists for off-peak inter-suburb travel. Yes, when the North Western put \$40,000,000 on the line for new commuter streamliners, it put the world's most modern service onto its suburban lines. In reversing the trend some railroads have for piecemeal improvement, North Western Chairman, Ben W. Heineman, said, "The Chicago Metropolitan area and the North Western's patrons are entitled to the finest suburban service in the world, and that is what we will supply."

Pullman-Standard, Chicago, builder of these commuter cars, is proud to be included in the North Western's farsighted plans.

PULLMAN-STANDARD

A DIVISION OF PULLMAN INCORPORATED
200 SOUTH MICHIGAN AVENUE, CHICAGO 4, ILLINOIS
BIRMINGHAM, PITTSBURGH, NEW YORK
J. C. Fennelly Company, San Francisco Representative

REVENUES AND EXPENSES OF RAILWAYS

(Dollar figures are stated in thousands; i.e., with last three digits omitted)

MONTH OF JUNE AND SIX MONTHS OF CALENDAR YEAR 1960

[illegible]

FLASHING MARKERS (Continued from page 42)

control unit intermittently energizes the lamp filament for approximately one-tenth of a second per second. The cycle provides a battery operating life of approximately 1,200 hours, or up to six months in normal summer cabin car service.

An additional safety factor is provided by a half-inch-wide reflecting area around the entire circumference of the plastic lens, which effectively reflects the color of the lens in the beam of an electric lamp, flashlight or headlight.

Train crew members seem to like the electric flashing units. They are easy to control, compact, and need little attention. Bulbs and batteries are renewed as a unit when battery voltage has dropped to the point where renewal is necessary.

PRR officers like the flashers because the cost of each unit is about \$15 as compared with about \$25 for the oil marker lamps—and PRR has been buying over 1,000 units a year. Pennsy also has under way experiments with similar units in battery-powered switch lamps. For the switch lamp installation, an adaptation of the flasher unit uses a photoelectric cell instead of a switch to turn the unit on and off.

Like several other roads (RA, Aug. 1, p. 32), PRR is using reflectorized disc train markers to mark the rear of trains on many branch lines and freight tracks. The deflector discs use 5½-in. diameter red and yellow Stimsonite lenses mounted on steel discs. These units, made at PRR's Altoona shops, can be rotated to display either red or yellow as required.

The Pennsylvania is trying both the new flasher and the reflectors under various conditions. Mr. Roeper says, with the aim of standardizing on the two devices for all markers (except electric markers installed on some passenger equipment).

As the units have been placed in service, general orders have been issued for the districts involved modifying existing rules as required. These indicate specifically between what points the units may be seen.

Safety Council Names Rail Award Winners

Six Class I carriers have been named group winners of the National Safety Council's 1959 Railroad Employees' National Safety Award.

Illinois Central placed first among roads working 50 million man-hours or more, with a casualty rate of 4.53 (employees killed and injured per million man-hours worked). Other group winners and their rate: Northern Pacific, 20 to 50 million man-hours, 3.82; Cotton Belt, eight to 20 million man-hours, 4.87; Bessemer & Lake Erie, three to eight million man-hours, 1.78; Charleston & Western Carolina, one to three million man-hours, 0.84; and Alabama, Tennessee & Northern, under one million man-hours, 2.56.

The Council also cited Pullman Company operations in the western region and at Richmond, Calif., shops; and two switching and terminal carriers—Kentucky & Indiana Terminal and Galveston Wharves.

Dividends Declared

ALGOMA CENTRAL & HUDSON BAY.—6% preferred, 4,000 shares being called for redemption on Sept. 1 at \$52.50 per share plus dividend of 75¢ payable Sept. 1.

GREAT NORTHERN.—75¢, quarterly, payable Sept. 1 to holders of record Aug. 9.

LOUISVILLE & NASHVILLE.—\$1, reduced, payable Sept. 12 to holders of record Aug. 1.

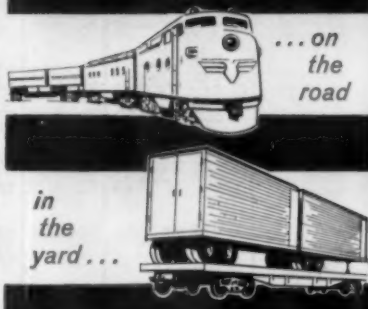
MINNEAPOLIS & ST. LOUIS.—35¢, quarterly, payable Aug. 31 to holders of record Aug. 15.

NEW YORK, CHICAGO & ST. LOUIS.—50¢, quarterly, payable Oct. 1 to holders of record Aug. 26.

NORTHERN OF NEW HAMPSHIRE.—\$1.50, quarterly, paid July 30 1/2 holders of record July 20.

NORTH PENNSYLVANIA.—\$1, quarterly, payable Aug. 25 to holders of record Aug. 18.

Protect YOUR Payload



ELSTON Rollaway

LP CARGO HEATERS

Here's a cargo heater that gives you complete cargo protection where you need it... when you need it. 16,000



B.T.U. output—thermostatically controlled—100% shut-off. Burner assembly completely enclosed—cargo may be packed against the unit without fear of fire. Complies with ICC

cargo heater requirements.

Rolls easily from dock to truck. Requires only one man to mount or unmount.

COMPLETELY PORTABLE
COMPLETELY SELF-CONTAINED

Available in two models:

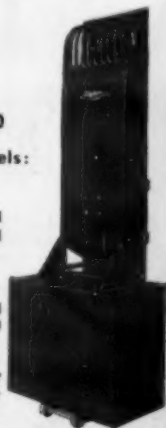
X-700

Single Bottle (Sufficient fuel supply 50 hours normal operation)

X-900

Dual Bottle (Sufficient fuel supply 100 hours normal operation)

For further information, see your **ELSTON DISTRIBUTOR** or write



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NEW! GONDOLA HOOD WITH SHOCK-SPRING COIL SKID
NEW! GONDOLA ROOFS
NEW! SAFE-CARGO
NEW! ROLLOK MOVABLE BULKHEADS
NEW! ECONO-GUARD... LOW-COST ANCHOR WALL LINERS

Anchor Rails for Piggy-Back Trailers. Complete Car Repair Parts and Service. Send for booklet showing in detail how these Yocar products will save you money.

YOUNGSTOWN STEEL CAR CORP.

NILES, OHIO

REVENUES AND EXPENSES OF RAILWAYS

(Dollar figures are stated in thousands; i.e., with last three digits omitted)
MONTH OF JUNE AND SIX MONTHS OF CALENDAR YEAR 1960

Name of Road	Average miles operated during period	Operating Revenues		Operating Expenses		Mainst. Wgr and Structures		Deprec.		Total 1960	Total 1959	Total 1958	Total 1957	Total 1956	Total 1955	Total 1954	Total 1953	Total 1952	Total 1951	Total 1950	Total 1949	Operating ratio 1959	Net operating ratio 1959	Railway accruals 1959	Net operating ratio 1959
		Freight	Pass.	Operating	Deprec.	Total	Retire- ment	Total	Retire- ment																
Duluth, Winnipeg & Pacific	178	447	2	2,328	523	141	118	8	55	55	1	7	193	2,064	377	98.3	72.1	44	44	74	16				
6 mos.	285	2,144	8	2,328	523	141	118	8	55	55	1	7	193	2,064	377	98.3	72.1	44	44	74	16				
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REVENUES AND EXPENSES OF RAILWAYS

(Dollar figures are stated in thousands; i.e., with last three digits omitted)

MONTH OF JUNE AND SIX MONTHS OF CALENDAR YEAR 1960

[illegible]

RSPA Panel Airs Service Standards

Proper evaluation of rail service requires a corporate rather than departmental approach, a panel of consultants told Railway Systems and Procedures Association members attending a recent seminar on measuring service performance.

T. D. Howitt, manager, Peat, Marwick, Mitchell & Co., told seminar participants: "Protecting service justifies every activity on the railroad, but responsibility for service failures cannot

be pinpointed to any one individual or group."

Service consciousness, the panel noted, must come from the top. Management must look to shippers to determine what elements of service are important. Reasonable standards of performance should be agreed upon and measuring devices created to assure adherence to determined standards.

Attempting to establish elements of service from the shippers' viewpoint,

participants in the seminar agreed on the following as essential elements of good rail service:

- Minimum in-transit time.
- Minimum terminal delays.
- Car availability.
- Through train service.
- Dependability of schedules.
- Flexibility of schedules.
- On-time switching.
- Adherence to switching schedules.
- Correct spotting of cars.
- Availability of special equipment.
- Proper physical handling.
- Clean cars.
- Availability of car information.

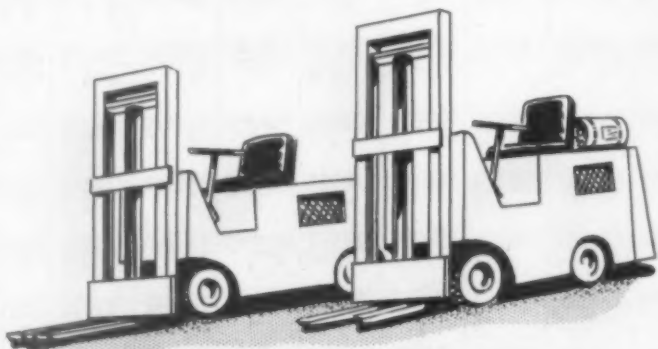
In setting standards of service by which to measure performance, one of management's first problems lies in reporting total transit time. Complete information for such reporting is presently available only on an exception basis. Total transit time is reflected in wheel reports, switching lists, dispatchers' logs and interchange reports. Panelists explained the need for a basic source document that would correlate all this information and include other necessary data such as intra-terminal moves, time of placement, original pick-up of car.

Noting that complete reporting of total transit time suffered from an information lag at originating and final terminals, the panel suggested the use of a card index in terminals providing all information concerning car movements within the terminal. Such an index would also provide a running inventory of every car in the terminal. Since adoption of such a system would entail additional expense it was urged that it be devised on an inter-departmental basis. Corporate advantages of having readily available car movement information for all departments would far outweigh departmental objections to the initial cost of implementing such a system.

An analysis of correlated data concerning total transit time would then permit setting standards of speed and dependability of scheduling and set the stage for follow-through to gauge level of performance.

In all areas of determining service, performance yardsticks for measurement need to be determined. Such criteria include:

- Economic feasibility of measurement—can the item be practically reported and measured?
- Integrity of reporting—how useful is the information obtained?
- Relativity of the unit of measurement—can deviations from the norm be recognized?



WHICH FORK-LIFT TRUCK NEEDS A MAJOR MOTOR OVERHAUL?

Both are the same age . . . both have been operated the same number of hours, doing the same work. But, the truck on the left needs a major motor overhaul . . . the one on the right won't need one until the first truck is ready for its second overhaul (and perhaps not even then.)

WHY? Because the first truck runs on gasoline . . . the second truck uses SUBURBAN PROPANE. Suburban Propane is liquefied petroleum gas, the vapor-burning motor fuel which reduces engine wear and oil dilution. When you use this superior fuel, you also benefit in many other ways, such as less refueling time, less down time for repairs, fewer oil changes, and longer engine life.

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by John G. Glover and Rudolph L. Lagai

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by John G. Glover

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SEATRIL LINES

General Offices: 595 River Road, Edgewater, N.J.
Offices in: Boston, Savannah, New Orleans,
Houston, Dallas, Philadelphia

Shippers' Guide

Ann Arbor—Manistique & Lake Superior

... Move Traffic Department

The traffic department of the AA and the M&LS has been moved from Toledo to St. Louis, where it is located in the Railway Exchange building.

Chesapeake & Ohio

... Service Changes

Has inaugurated an LCL merchandise car line from Ashland, Ky., to Royalton, and discontinued cars from Paintsville, Ky., to Royalton and from Ashland to Columbus, Ohio (B&O).

Delaware & Hudson

... Freight Schedules

Has issued revised compilation of through freight train schedules and principal connections.

Milwaukee

... Opens Regional Data Centers

To expedite billing for freight and related services, the Milwaukee has opened new "regional data offices" at 201 3rd Ave., S., Minneapolis, and 201 West Fowler St., Milwaukee. Both moves are described as "important steps in a larger plan involving installation of an electronic data processing system to handle accounting work and other fact-gathering functions." One immediate result will be to centralize billing and collection for many stations in the Minneapolis and Milwaukee areas, thus permitting local agents to give more time to shipper services by relieving them of routine bookkeeping.

... New TOFC Equipment

Is receiving 15 piggyback trailers plus 25 new mechanically refrigerated bodies for its Flexi-Van fleet, and equipping 12 insulated vans with mechanical cooling units. Fifteen of the new Flexi-Vans are equipped for handling meats or frozen foods. They bring the Milwaukee's total Flexi-Van fleet to 215 vans, 115 bogies and 64 cars.

Traffic Publications

FROM THE MANUFACTURERS

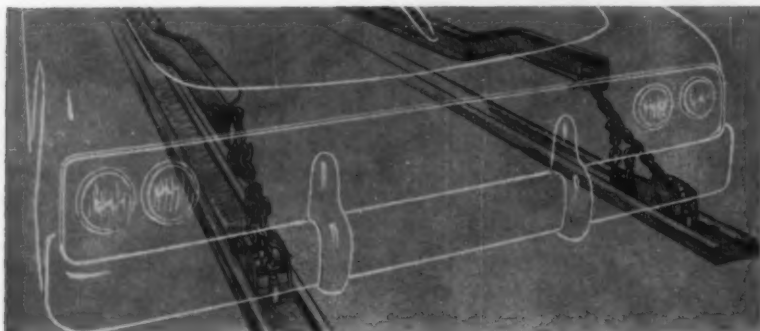
BIN BOXES. 16 pages, illustrations, diagrams. National Wooden Box Association, Dept. RA, 402 Barr bldg., Washington 6, D.C.

Contains information on factors to be considered in design of effective high-capacity wooden containers.

STEEL STRAPPING CALCULATOR. Signode Steel Strapping Co., Dept. RA, 2600 N. Western ave., Chicago 47.

A slide-rule type, pocket-size device which helps gear strapping orders to requirements and advantageous price breaks.

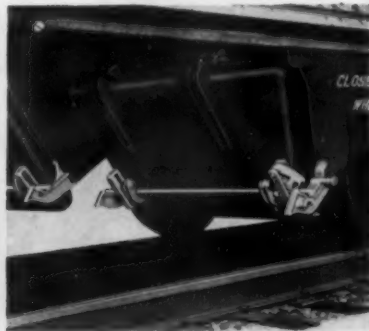
New Products Report



Auto Tie-Down

A new, simplified tie-down system is expected to aid in stepping up rail shipment of automobiles. It is presently being applied to 130 tri-level cars being built for the Frisco by Pullman-Standard, and also to demountable racks for use on existing flat cars. The system utilizes twin anchor channels running the full length of each deck. Winches, assembled with chain and fittings for attachment to the automobiles, slide freely in the channels, but can be lock-

ed at 3-in. increments. The channels, which are equipped with slots for welding to car structure and for drainage, serve as storage space for the tie-down chain when it is not in use. All equipment is permanently attached to the car. A simple gravity lock holds the winch in fixed position. The "Auto-Tie"—proof-tested for a load of 6,500 lb, with higher breaking strength—is adjustable to any length of automobile. *Brandon Equipment Company, Dept. RA, 332 South Michigan Avenue, Chicago 4.*



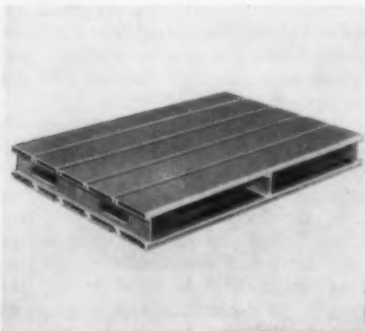
Hopper-Car Lock

A dual toggle lock that can be applied to any new or existing open-top hopper car is said to be positive locking. It is operated, safely and with little effort, from side of hopper and is said to give satisfaction both to shipper and consignee. It is supplied as an assembled unit; the car builder furnishes no parts or material. Fewer man-hours are required for its application. *Enterprise Railway Equipment Co., Dept. RA, 59 East Van Buren St., Chicago 5.*



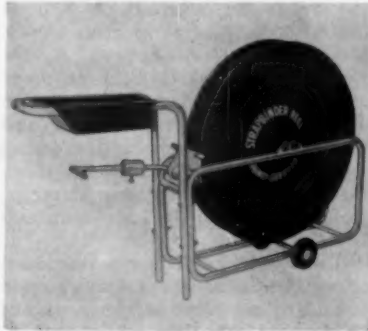
Windshield Package

For greater accessibility to contents, the "Safepack" method of shipping automobile windshields (RA, April 25, p. 16) has been modified to permit "walk-in" packing or unpacking. The operator walks onto the palletized carton base; sets windshields in place without bending or stretching; puts sides and top in position; and straps the unit together. *Shatterproof Glass Corp., Dept. RA, 4815 Cabot Ave., Detroit 10, Mich.*



Standard Metal Pallet

What the manufacturer claims to be the first standard-sized corrugated all-steel welded pallets are now available. The pallets are reinforced by center braces for extra-heavy duty, and have four-way entrances for fork-truck handling. They are available in both single and double face design, in standard sizes, 48 in. by 40 in. and 48 in. by 48 in. *Palmer-Shile Co., Dept. RA, 15984 Fullerton, Detroit 27, Mich.*



Strap Dispenser

A new mobile steel strap dispenser eliminates lifting of heavy steel coils and requires little effort to move. Designated Model 416, it can handle $\frac{3}{8}$ -, $\frac{1}{2}$ -, $\frac{5}{8}$ -, and $\frac{3}{4}$ -in. vibrated wound flat strapping or all sizes of oval steel strapping. A counterbalanced braking lever prevents the reel, when in use, from dispensing excess material. *A. J. Gerrard & Co., Dept. RA, 400 East Touhy Ave., Des Plaines, Ill.*



Track Laid for New Ore Line in Canada

Construction of the Quebec Cartier Railway in Canada is being carried out with the aid of this Travelift for handling the 78-ft lengths of rail into place on the ties. The railway, a 191-mile line, is being built from

Port Cartier, Que., on the St. Lawrence river northward to reach iron ore reserves of the Quebec Cartier Mining Company. Track construction is being carried out by Mannix Company, Ltd.

ICC Gets Barge-Case Briefs

The Illinois Central-Southern Pacific application for authority to acquire control of a major barge line—John I. Hay Co.—has been supported by the National Industrial Traffic League and attacked by barge lines and American Trucking Associations in briefs filed with the ICC. The briefs were among the first in the case to reach the Commission last week, and several others, including that of the applicant railroads, were also expected.

The case may become a precedent-setter. The Commission's decision could indicate what may be done without legislation to implement that phase of the railroad industry's diversification program which calls for freedom to operate water services. The IC-SP proposal is the first railroad bid for new water-carrier rights since the Panama-Canal-Act amendments were added to the Interstate Commerce Act in 1912. Those amendments prohibit railroad control of water carriers operating through the canal—but permit it elsewhere on the basis of a special showing not required of non-railroad applicants.

The NIT League first announced its support of the application at the Com-

mission's hearing in the case. Its counsel then called the proposed acquisition one that would be "in harmony with the public interest" and would not result in "undue restraint of competition."

Although several of its members testified in the case, the league did not offer evidence, because, its brief explained, "the pertinent facts in the case are simple and were most thoroughly presented and developed by the applicants and protestants." Now that this and other evidence is in, the league "is unqualifiedly in support of the application," the brief added.

Barge lines joining with ATA in the opposition brief were Mississippi Valley Barge Line and Union Barge Line Corp. That brief opposed the IC-SP proposal because it contemplates "a major change in direction in national transportation policy." The brief also said:

"This is not just a routine case of one company being purchased by two others of the same mode. Independent ownership of competing modes of transportation has been the prevailing rule. If one of the most important of the ground rules is to be changed, we submit that

the change should come through Congress rather than through a change in the administrative process."

SP Plans Merger of Texas-Louisiana Lines

Next move in Southern Pacific's continuing program of corporate simplification will be merger of three wholly-owned rail subsidiaries into the parent company.

SP shareholders will vote next May 17 on the merger agreement. ICC approval will also be required, and Southern Pacific indicated application will be filed within the near future.

The three subsidiaries involved—Texas & New Orleans; El Paso & Southwestern; and El Paso Southern—own approximately 4,000 miles of line in Texas and Louisiana. SP owns, directly or indirectly, the entire outstanding stock of each of the companies. The merger agreement provides that the parent company acquire all properties and assume all obligations of the subsidiaries.

Southern Pacific Railroad Company and four other subsidiaries were merged into the parent Southern Pacific Company in 1955. Central Pacific was brought into the fold last year. Consummation of the current consolidation proposal will give SP Company direct ownership and operation of virtually all the rail lines in its extensive transportation system.

Canadian Shipper, Trucker File Agreed Charge Contract

Canada's first "agreed charge" for truck shipments became effective this month. The contract, between Dominion Stores and Direct Motor Express, covers movement of mixed groceries from Montreal for distribution in Quebec City and Levis. It covers 90% of volume.

The agreement, which relates to intra-provincial traffic, has been filed with the Transportation Board of the Province of Quebec, which exercises regulatory authority over highway transportation in that province. Conditions relating to the charge, as specified by the board, are essentially similar to those under which Canadian railways make agreed charges with their shippers.

In commenting on the agreement, the Canadian Industrial Traffic League points out that "motor transport operators and their trade associations have objected to agreed charges as published by the railways," and have repeatedly been asked why they don't adopt the same principle themselves.

MARKET OUTLOOK *at a glance*

Carloadings Drop 0.6% Below Previous Week's

Loadings of revenue freight in the week ended Aug. 20 totaled 596,339 cars, the Association of American Railroads announced on Aug. 25. This was a decrease of 3,569 cars, or 0.6%, compared with the previous week; an increase of 53,853 cars, or 9.9%, compared with the corresponding week last year; and a decrease of 37,892 cars, or 6.0%, compared with the equivalent 1958 week.

Loadings of revenue freight for the week ended Aug. 13 totaled 599,908 cars; the summary, compiled by the Car Service Division, AAR, follows:

REVENUE FREIGHT CARLOADINGS			
For the week ended Saturday, Aug. 13			
District	1960	1959	1958
Eastern	82,471	76,618	89,790
Allegheny	97,237	76,653	103,128
Pocahontas	52,475	46,775	51,895
Southern	106,191	112,973	109,201
Northwestern	105,556	68,693	104,034
Central Western	108,675	111,100	117,629
Southwestern	47,303	51,557	48,637
Total Western Districts	261,534	231,350	270,300
Total All Roads	599,908	544,569	626,314
Commodities:			
Grain and grain products	59,347	52,882	62,129
Livestock	3,583	4,678	4,546
Coal	105,242	98,853	112,120
Coke	5,928	2,937	6,069
Forest Products	38,997	42,000	39,340
Ore	63,148	9,901	56,633
Merchandise I.C.I.	35,064	41,363	46,656
Miscellaneous	288,599	291,935	298,821
Aug. 13	599,908	544,569	626,314
Aug. 6	594,329	532,259	619,204
July 30	614,236	544,862	622,678
July 23	619,784	536,395	608,065
July 16	607,081	585,073	582,244

Cumulative total,
32 weeks

PIGGYBACK CARLOADINGS.—U. S. piggyback loadings for the week ended Aug. 13 totaled 10,768 cars, compared with 7,755 for the corresponding 1959 week. Loadings for 1960 up to Aug. 13 totaled 337,708 cars, compared with 249,144 for the corresponding period of 1959.

IN CANADA.—Carloadings for the seven-day period ended Aug. 7 totaled 67,702 cars, compared with 95,736 for the previous ten-day period, according to the Dominion Bureau of Statistics.

	Revenue Cars Loaded	Total Cars Rec'd from Connections
Totals for Canada		
Aug. 7, 1960	67,702	24,012
Aug. 7, 1959	74,874	25,166
Cumulative Totals		
Aug. 7, 1960	2,181,096	866,162
Aug. 7, 1959	2,260,776	854,408

New Equipment

FREIGHT-TRAIN CARS

► **Great Northern.**—Will convert 20 flat cars to bulkhead flats at St. Cloud, Minn., company shops. Cars will be equipped with new steel underframes and bulkhead ends. Work is scheduled for fourth quarter.

PIGGYBACK

► **Piggyback Leasing Corp.**—Ordered \$750,000 worth of specially designed and engineered trailer equipment from Highway Trailer Co. Order includes 100 40-ft trailers specifically designed for piggyback operation.

FOREIGN

► **Thailand.**—Stores Section, State Railways, Makasan, Bangkok, invites bids until Sept. 12 for 10,000 sets of spring-coil type journal box packing.

New Facilities

► **Alabama State Docks Dept.**—Is financing construction of four classification tracks, totaling 10,740 feet, for Terminal Railway on the west side of the Alabama State Docks joint interchange yard. Scheduled for completion in November, the project will cost \$156,654.

► **Illinois Central.**—Ordered CTC equipment from Union Switch & Signal for installation between Fulton, Ky., and Foster, Ill., 130 miles. Control will be from a 9-ft Traffic Control Center at Carbondale, Ill.

Orders and Deliveries

► **Orders Increase.**—Orders were placed in July 1960 for 1,306 new freight cars, compared with 321 in June. July 1959 orders totaled 4,159. Deliveries in July totaled 3,893, compared with 6,042 in June and 4,273 in July 1959. The backlog of cars on order and undelivered as of Aug. 1, 1960, was 26,658, compared with 29,555 on July 1 and 40,309 on Aug. 1, 1959.

Type	Ordered July, 1960	Delivered July, 1960	Undelivered Aug. 1, 1960
Box—Plain	527	676	8,785
Box—Auto	0	0	200
Flat	106	110	2,089
Gondola	25	225	4,280
Hopper	0	1,606	5,920
Cov. Hopper	75	394	608
Refrigerator	250	532	3,512
Stock	0	0	0
Tank	264	332	921
Caboose	11	18	150
Other	51	0	193
Total	1,306	3,893	26,658
Car Builders	647	2,481	12,300
Railroad Shops	659	1,412	14,358

imize efficiency at the unloading end.

"Paperwork will be handled in accordance with the customer service plan.

"Follow-up will be established with each customer's warehouse to obtain regularly the condition of General Foods' shipments on arrival."

Watches Packing, Too

As to packing, General Foods says it "learned very early, as we developed the Market-Centered Customer Service Plan, that it would be wise to completely re-evaluate our shipping cases design at the same time. Too many of our cases—and too many cases of other manufacturers—are designed without consideration of their fit on standard pallets, of how they will stack, or of their space economy from the customer's point of view.

"Space economy is most important to customers and we can help with a little creative thought. This was demonstrated for us by just one study, within our own organization. We took a critical look at a certain shipping case and

made a comparatively simple revision. It did not involve changing the design of the retail package. But it enabled a customer to move 500 new cases into warehouse space that had formerly held only 400—a gain of 25%. Much more needs to be done by us, and by all manufacturers, in this area."

Organizationally, in line with the company's general decentralization policy, each Sales and Distribution Center is pretty much an autonomous unit, with its own supervisory, clerical and platform forces, and its own staff of traffic men.

The corporate traffic department, located in the company's new headquarters building at White Plains, N. Y., prepares traffic manuals for each shipping (manufacturing or processing) plant, and for each warehouse. The plant manuals set up definite routes from each plant to each warehouse, and specify the percentage of traffic which is to move over each route. They also show the through rate from each origin to each destination.

The warehouses operate on a storage and mixing-in-transit rate basis,

with outgoing routes set up to protect, not only advertised schedules, but also the integrity of rates and of inbound routes. If, for example, 30% of total traffic comes in via a given carrier, then 30% of outgoing traffic is supposed to originate on that same carrier.

All freight bills are paid at the 17 distribution centers—or will be when they are all in operation. Freight from manufacturing or processing plants comes in collect; that to customers goes out prepaid. (A customer is not authorized to pick up his order, or to get a freight allowance for doing so, at either plants or warehouses.) This procedure gives General Foods complete control over both routes and service. It permits a warehouse to take a carrier which may prove itself undependable completely out of the company's routing scheme and replace it with another.

At the company's 36 principal domestic manufacturing and processing plants (not including Canadian or foreign), products move directly from production line to carrier vehicle—which is usually, because of the heavy



volume involved, a freight car. There is, in other words, no duplication at production points of warehousing, which is wholly concentrated at the sales-service centers. The centers, however, have authority to engage overflow or "satellite" warehouse space if they should become temporarily overstocked as a result of the company's policy of keeping production on a level basis even during slack customer buying periods.

Freight Moves in 'Brackets'

From warehouses to customers, goods move in one of four "brackets," as follows:

- I. Carloads of 40,000 lb or more.
- II. Truckloads of 22,000 lb or more.
- III. Split truckloads, divided between two or more customers.
- IV. LCL or LTL shipments of less than 500 lb, and usually of an "emergency" nature.

The size of most of General Foods' customers makes Bracket IV relatively unimportant; Brackets I, II and III most important. All customers in those

brackets are regularly notified when shipments are made, by whatever method is set out in the individual Customer Service Plan.

The size of GF customers also helps to explain why railroads get a large share of the warehouse-customer shipments—as well as most of its plant-warehouse business and nearly all its inbound traffic in raw materials.

Normally, each price bracket has a designated mode of transportation in each market. Where practical, however, Bracket III orders may be combined with Bracket II TL shipments. But Bracket IV orders are always shipped separately; never combined with other brackets for rate purposes nor moved on the same vehicle with full TL or split truck orders. These orders do not come under the scheduled delivery program, and transit time and dependability are not expected to equal the service provided for rail, truckload or split customers.


Some shipments, particularly of Maxwell House products, move piggyback, which Mr. Schier says is "very reliable."

All told, the company spends approximately 3.6% of its gross sales on transportation of its food products from point of production to wholesale, chain or institutional customer. The latter includes such varied grocery products as Maxwell House and Sanka coffees; other beverages; Post cereals; Birds Eye frozen foods; Jell-O desserts; Baker chocolate products; Swans-Down flour and cake mixes; Gaines pet foods; and a host of other foodstuffs and household products.

Not all these products, it may be noted, go through the sales-service centers.

In line, again, with the company's high decentralization policy, each of its many divisions has the right to decide for itself what sales methods it will use to earn a profit for the corporation. Some, as a result, sell direct; others use brokers.

Enough of them, however, sell through the centers to justify their establishment—and to justify also creation and implementation of the detailed customer service and delivery plans on which they operate.



*the
better way*

Southern Fights ACL-SAL Merger

► **The Story at a Glance:** The Southern wants to purchase the Atlantic Coast Line's 33% interest in the Louisville & Nashville and to acquire its own line into Jacksonville, Fla., and Tampa if the ICC should approve the proposed merger of ACL and Seaboard Air Line. Southern's basic position is one of opposition to the merger.

Stockholders of the Atlantic Coast Line and the Seaboard Air Line have now voted overwhelmingly in favor of merger. But in another quarter, there is considerably less enthusiasm for the union of the two big roads. Last week, Southern stated its opposition formally in a petition asking the Interstate Commerce Commission for leave to intervene as a protestant in the merger case (Finance Docket No. 21215). Another intervention petition was filed by the Florida East Coast, which took no firm position but wants to be in the case to protect its interests.

The proposed ACL-SAL system would result in "unprecedented domination" of an entire territory, Southern told the ICC.

Noting that the new system would comprise in excess of 17,000 miles of road, the petition went on to say that such a "web of inter-woven routes" would blanket Southern lines and encircle most of that road's important route segments, "thereby making them easy prey to throttling diversion and short-hauling of their heavy interchange traffic with members of the proposed system."

There "cannot be the slightest doubt" that this situation would be brought about, "particularly if they were permitted to retain control of the L&N," Southern continued. It called the proposed condition requiring transfer to it of ACL's holdings in L&N a "sine qua non" of any favorable Commission decision.

"Many of the adverse effects of the proposed transaction," the petition added, "would either stem from, or be greatly aggravated by the fact that the merged company would also control L&N and its subsidiaries and affiliates, a system which is in itself considerably larger than either Coast Line or Seaboard. For the Commission to approve the proposed merger without requiring divestiture of all applicants' interest in L&N would be pregnant with public injury."

"If the policy of the Commission is to favor the unification of strong competitive lines of railroad, upon the ground that the resultant economies

serve the public interest, that same policy, together with the need for protection of the public interest from the reduction of competition, requires a fortiori that the Commission order, as a condition of its approval of the instant application, divestiture by transfer to Southern of all interest of applicants in the stock of L&N. Such divestiture would enable Southern to eliminate duplications of lines and facilities, and thereby to achieve operating and financial economies, with improvements, rather than reductions of service, to an extent believed to equal, if not far surpass, those alleged by applicants."

Southern also told the Commission that control of the merged company would rest in the Mercantile Safe Deposit & Trust Co. of Baltimore, Md., which already controls ACL. Mercantile's control of SAL would be acquired without additional investment, Southern also said.

As to the proposed condition which would put it into Florida over lines of its own, Southern said it is now precluded by Seaboard from participation with Seaboard in routes to Florida from all points in the East; and that it reaches Florida points from the East "only by virtue of a 58-year-old trackage agreement (and appurtenant traffic agreements) over the Coast Line's route from Hardeeville, S.C., through Savannah, Ga., to Jacksonville." ACL is now contending that these traffic agreements are inapplicable from and to all stations established since 1902, Southern said.

What Southern wants if the merger is approved was set out in the petition as follows: (a) transfer to Southern for

fair value, or lease to Southern for 999 years at a fair rental, of either Seaboard's or Coast Line's line between Savannah and Jacksonville, together with 999-year trackage rights between Hardeeville and Savannah; and (b) transfer to Southern or 999-year lease to Southern of a suitable line from Jacksonville to central Florida and Tampa and a suitable line connecting such line with the Southern line in south Georgia.

The connecting line could be one of the ACL-SAL "web of lines" in the south Georgia area, Southern suggested. Of the Savannah-Jacksonville area, it said: "Seaboard's railroad between Savannah and Jacksonville closely parallels that of Coast Line between the same points, giving the merged company exclusive ownership and control of both of the only lines of railroad from eastern points to Florida."

Other conditions sought by Southern would require ACL and SAL to specify what the proposed merger plan contemplated in the way of abandonments, consolidations and changes in routing and service. The petition also asked that Southern be given access to data supporting economies expected to result from the merger.

FEC's petition pointed up that road's "direct interest" in the case by explaining its present relationships with ACL and SAL. It said 73% of all freight it handles via Jacksonville is interchanged with those roads. Also, all of its through passenger service is operated in connection with ACL and in competition with SAL. These present arrangements were termed of "vital importance."

CAB Probes Air-Freight Rates

The Civil Aeronautics Board has instituted an investigation to determine whether its 12-year-old order fixing minimum air-freight rates should be modified or revoked. Although departures are authorized on directional, deferred-service and other special bases, the basic minimum rates are 20 cents per ton-mile for the first 1,000 ton-miles of any one shipment, and 16¼ cents per ton-mile for all additional ton-miles.

These reflect a 1953 increase of 25% in the rates of 16 cents and 13 cents, respectively, prescribed in the original order of 1948. Noting how the latter was based on findings that competition of the time had resulted in "unduly low, depressed and non-

compensatory rates," CAB's present order says the board does not know "whether or not the continued maintenance of prescribed minimum rates is essential at this time to prevent unsound economic conditions."

The order invites interested parties to submit their views as to whether the existing minimum-rate orders "should be modified or revoked and, if modified, in what manner." Views are also invited "as to whether public hearings should go forward at this time or be deferred in order to obtain the benefit of actual experience of air carriers with new turbine-powered all-cargo aircraft expected to be introduced in 1961."

The investigation is Docket 11728.



Douglass Campbell
NYC



Joseph F. Leibbrandt
Reading



Lawrence P. Lannon
Western Industries



John W. Almcrautz
Motorola

People in the News

BURLINGTON.—L. F. Annable appointed director, employee benefit services, Chicago, in charge of the relief, medical, hospital insurance and pension departments. H. T. Mann named assistant director, employee benefit services.

I. C. Ethington, assistant to the vice president-operation, Chicago, appointed general superintendent of transportation, to replace the late W. B. Simmons. R. G. Johnson, assistant general superintendent of transportation, succeeds Mr. Ethington. R. M. Lawrence, city freight agent, St. Louis, Mo., appointed general agent, Memphis, Tenn., succeeding C. D. Ponder, resigned.

R. E. Taylor, engineer of equipment, promoted to general superintendent of motive power and equipment, Chicago, to succeed L. E. Quirin, appointed superintendent of shops, Aurora, Ill. L. G. Horville named to the newly created position of assistant to the general superintendent of motive power and equipment.

CHICAGO & NORTH WESTERN.—Edward A. Knauber named district sales agent, Cincinnati.

ERIE.—John F. Duffy, manager of purchases and stores, and John F. McMullen, superintendent of the car department, Cleveland, Ohio, retire Aug. 31.

MISSOURI PACIFIC FREIGHT TRANSPORT CO. Charles T. Groton, Jr., appointed vice president in charge of all departments.

NEW HAVEN.—Effective Aug. 29, the freight traffic department, now in Grand Central Terminal, will be relocated at 292 Madison Avenue, New York 17. S. W. Hutchings is general freight manager and K. M. Fraser is general freight agent, New York.

NEW YORK CENTRAL.—Douglass Campbell, vice president, Chicago, assigned responsibility for the road's public relations and advertising department.

Frank J. Donovan, foreign freight sales manager, New York, appointed assistant director, foreign freight sales.

PENNSYLVANIA.—H. P. Morgan, assistant regional manager, Philadelphia, Pa., transferred to the Lake region, Cleveland, Ohio.

READING.—Joseph F. Leibbrandt, assistant freight traffic manager, Philadelphia, named freight traffic manager, succeeding Herbert J. Lobb, Jr. (RA, Aug. 8, p. 31). John D. Grier, general freight agent, appointed assistant freight traffic manager. Ralph G. Dunn,

coal freight agent—rates and divisions, named general freight agent.

TEXAS & PACIFIC.—Julius O. Fraker, superintendent of diesel and electrical maintenance, Dallas, Tex., appointed chief mechanical officer there, to succeed T. E. Albright, mechanical superintendent, assigned other duties.

Supply Trade

Lawrence P. Lannon, assistant to the president, Western Industries, Inc., Chicago, has been elected vice president.

The following have been appointed representatives for the T-Z Railway Equipment Co.: Frank W. Hughes, East and Northeast section of the United States, Philadelphia; Ralph M. McLean, St. Louis and surrounding Midwest territory, St. Louis; E. M. Hendricksen, Omaha, Neb.; James E. Friend, Southwestern territory, Fort Worth, Tex.

Robert L. Clark, railway sales engineer, Chicago district, Exide Industrial Division, Electric Storage Battery Co., named railway market manager, Philadelphia, Pa., succeeding Lowell K. Lembke, recently named manager of Exide's south-central region at St. Louis.

The National Railroad Sales Department of Motorola Communications & Electronics, Inc. has appointed John W. Almcrautz, national railroad sales manager; Arnet A. Curry, systems engineer; and Frederic J. Corporon, John T. Parker and Glenn L. Hayes, radio communications representatives.

Charles C. Shannon, former executive vice president of the New Haven has been elected a vice president of Wyer, Dick & Co., transportation consultants, Upper Montclair, N.J.

Industrial Traffic

Harry F. Klecker, general traffic manager, Purchasing & Traffic department, Monsanto Chemical Co. St. Louis, Mo., has been appointed special assistant to the director. Irby L. O'Brien, assistant general traffic manager, promoted to general traffic manager.

Ray Harron, general traffic manager, General Foods Corp., White Plains, N.Y., has

been appointed director of traffic, succeeding Arthur C. Schiar, who retires Oct. 1 as vice president—traffic.

Vernon C. Messer, assistant traffic manager, Frigidaire division, General Motors Corp., has been promoted to traffic manager, succeeding Robert P. Carr, retired.

Jack M. Slutsky, assistant traffic manager, Chevrolet Gear & Axle plant, Detroit, Mich., promoted to traffic manager there, succeeding Wray C. Winger, who has been named assistant to general traffic director, Chevrolet Motor Division, General Motors Corp.

T. M. Storer, traffic manager, Lehigh Portland Cement Co., Allentown, Pa., appointed general traffic manager, succeeding John J. Clous, who retired July 31. J. L. Quinn, assistant traffic manager, promoted to traffic manager.

O. Denton Hudson has been named transportation manager, Armour Agricultural Chemical Co., Atlanta, Ga., replacing George W. Leyhe, who retired Aug. 27. M. Hudson was formerly southeast area manager, transportation and distribution.

John E. Rozwood has been appointed district traffic manager, Sanderson-Halcomb Works, Crucible Steel Co., Syracuse, N.Y. He was formerly programmer.

George E. Craig has been promoted to national manager, Transportation Division, Hiram Walker Inc., Chicago.

F. G. Cartledge has been appointed eastern general traffic manager, Colorado Fuel & Iron Corp. T. W. Sundhoff, assistant traffic manager, succeeds Mr. Cartledge as traffic manager, John A. Roebling's Sons Division.

C. D. Cooper, assistant general traffic manager, Minnesota and Ontario Paper Co., Minneapolis, Minn., has been promoted to general traffic manager, effective Sept. 1, succeeding F. E. Hufford, retiring.

R. A. Gosline, western district traffic manager, at Tacoma, Wash., for Rilco Laminated Products Division, Weyerhaeuser Co., has been appointed traffic manager, Cottage Grove, Ore.

B. H. Lord, Jr., associate director, has been appointed director, Division of Transportation, American Petroleum Institute, New York, succeeding James E. Moss who retired Aug. 1.

Warren W. Clark has been appointed chief clerk, traffic department, Columbia-Southern Chemical Corp., Pittsburgh, Pa., succeeding Don Biltz, resigned.

OBITUARY

Fred H. Brockwell, 67, retired general freight traffic manager, Santa Fe, Chicago, died Aug. 18 at Oakland, Calif.

Charles H. Buford, 74, retired president, Milwaukee, died Aug. 17 in Wesley Memorial Hospital, Chicago.

George F. Gerlach, 67, retired assistant to treasurer, New York Central, died Aug. 20.

Jesse S. Hyatt, 80, retired chief engineer, Chicago North Shore & Milwaukee, died Aug. 15 in an auto crash near Libertyville, Ill.

George L. Krueger, general auditor, Chicago North Shore & Milwaukee, Highland, Ill., died Aug. 20 at Kenosha, Wis.

Edward F. Feiner, 51, traffic manager, Carter Division, Humble Oil & Refining Co., died Aug. 10 at St. Vincent's Hospital, Billings, Mont.

You Ought To Know...

Slumbercoaches on the "North Coast Limited" get much of the credit for an increase of almost 6% in patronage of Northern Pacific passenger trains. Recent figures show a 4% increase in coach patronage—and a 21% gain in parlor car, sleeping car and Slumbercoach patronage. Revenue passenger miles are up 10.5%, largely because trip length of Slumbercoach passengers has increased steadily (from 979 miles in the first week of operation to 1,421 miles in June).

A complete syllabus of courses and examinations of the new Canadian Institute of Traffic and Transportation is now available from the Canadian Industrial Traffic League, 20 Bloor st., West, Toronto 5, Ont. The League also has available, at \$10 per set, two volumes on "Canadian Traffic and Transportation Management" which deal with the 27 subjects to be considered in the CITT's certificate course.

Bills to outlaw strikes in the railroad industry were introduced in the House last week by Representatives Derounian and Becker of New York. They provide for appointment of a special presidential board in disputes where arbitration is rejected. Such a board's findings would be enforceable against both the railroads and the unions. These findings, however, could be appealed to district court within 30 days on the basis of errors of law, failure to conform to the issues of the dispute, or fraud.

A 6.4% fare increase requested by the Long Island to become effective Aug. 24 (RA, Aug. 15, p. 44) has been held up by the New York Public Service Commission pending a "thorough analysis" of figures submitted in support of the proposal.

Increasing passenger sales from the East will be Santa Fe's aim in a series of three meetings of passenger traffic personnel. First of the sessions was held Aug. 27 in New York; other meetings will be staged in Cincinnati, Ohio, Sept. 10, and in Milwaukee, Wis., Sept. 17. Among the points to be emphasized: Santa Fe's "Go Now-Pay Later" plan; wider distribution of Rail Travel credit cards; company passenger performance thus far in 1960; and a study of airline and bus competition—and what can be done to meet it.

The "California Zephyr" was scheduled to arrive in Oakland, Calif., Aug. 22 with a steam locomotive on the head end—and with Western Pacific President F. B. Whitman (who began his career as a fireman) at the throttle. WP planned to fire up "old 94," and re-create (in part) the scene of Aug. 22, 1910, when the first through passenger train arrived from Salt Lake City, Utah. Since No. 94 made the first run 50 years ago, WP notes, the road has performed about 5.5 billion passenger-miles of service with only one passenger fatality in a train accident.

Secretary of Labor James P. Mitchell, BRC President George M. Harrison and AAR Assistant Vice President A. R. Beatty will head the speakers list as the Railroad Retirement Board observes its 25th anniversary at a dinner meeting Aug. 31 in Chicago. Another highlight of the affair: Presentation to D. B. Robertson, BLF&E president emeritus, of a benefit check symbolizing the 10-billionth dollar paid by the Board.

A 400-page plant location study covering 22 counties in Virginia and North Carolina has been turned over to the Norfolk & Western by Fantus Area Research, Inc. It's the first of a series of five reports which will cover N&W's entire six-state area from the Atlantic to the Ohio Valley. H. P. Cotton, N&W assistant vice president—industrial development, described the report as "an entirely new type of industrial survey which explores specific potentials at each site to great depth."

A new 27,600-sq ft warehouse opened by New York Central at Allston, Mass., last week will serve as a key freight handling point for manufactured goods. An average of 75 to 100 rail carloads will be handled in and out of the new facility each week during the busy season. Sears Roebuck will be a major user.

Contempt of Congress citations for the executive director, board chairman and secretary of the Port of New York Authority were voted last week by the House of Representatives. Citations were recommended by House Judiciary Committee Chairman Emanuel Celler after the Port Authority refused to turn over records the House committee says it needs in investigating the bi-state agency's activities.

Accessible transportation seems to be the number one consideration of business firms in reaching a decision as to location of new quarters. A survey conducted among business organizations throughout the U. S. by the real estate firm of H. K. Negbaur and Company, Inc., found 26% listing accessibility of transportation as the prime factor in selecting a location. Second consideration (25%): rental.

United Air Lines and Capital Airlines have asked the Civil Aeronautics Board to act on their merger application by next Feb. 1. Directors of the two carriers have approved consolidation; stockholders will vote on the proposal Oct. 14. Among the conditions of the merger: That the CAB rule by Feb. 1, 1961; and that Capital's operating certificates shall remain as they are (or shall not be altered except as previously requested by Capital).

Operating officers of all major railroads are being invited to attend a car service improvement conference sponsored by the Liquefied Petroleum Gas Association Sept. 21 in Chicago. The conference, an annual affair, will include talks by traffic specialists and a question-answer session.

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SECTION

Railway Age, 30 Church St., New York 7, N. Y.

Railroading's Toughest Job?

Many people have wondered why a man in his right mind would seek—or even accept—such a job as the presidency of the United States. Its duties are so numerous and complex that even a team of supermen would not find it easy to encompass all of them. Other countries have made the top executive assignment more tolerable by dividing it between a king and a prime minister.

Giving the top executive more work to do than one man can hope to cope with, to his own complete satisfaction, is not a peculiarity of government. Most chief railroad executives of large railroads have a comparable situation to wrestle with—mitigated to the degree that they have fully competent and mature men to head the various departments. And, getting down to the departments themselves, there is certainly a bewildering variety of highly exacting duties laid on the head of the traffic department. When we look over the list, we wonder how any one human being can be expected to develop such versatility. Just consider a few of them. A chief traffic officer is expected to be—

1. *The railroad's top salesman*—important shippers not wanting to be approached by an officer of lesser rank;

2. *The sales manager*, directing a large and widely scattered sales force—a job which, in most businesses, is assigned to a man with no other duties to perform;

3. *The top rate expert*, master of the infinitely complex rate structure—having able assistants, to be sure, but expected to be well enough informed to assume personal responsibility for all important pricing decisions;

4. *The responsible forward planner* and marketing strategist, initiating and supervising all long-range programs for building future business;

5. *The responsible chief of passenger traffic*—which is an entirely different business, with complexities all its own.

The chief traffic officer has always had these duties, but they were far easier and less exacting in the days when the only competition came from other railroads—and when practically all traffic showed a steady increase, quite independent of sales effort or exceptional wisdom in pricing.

Then, all of a sudden (i.e., since the end of World War II), every function the traffic department head performs became vastly more important to the success of his railroad and vastly more difficult. It has not been our observation

that top management has yet accorded chief traffic officers all the added tools they need—especially expert staff—to cope with the complex problems they have to solve (and solve both quickly and correctly).

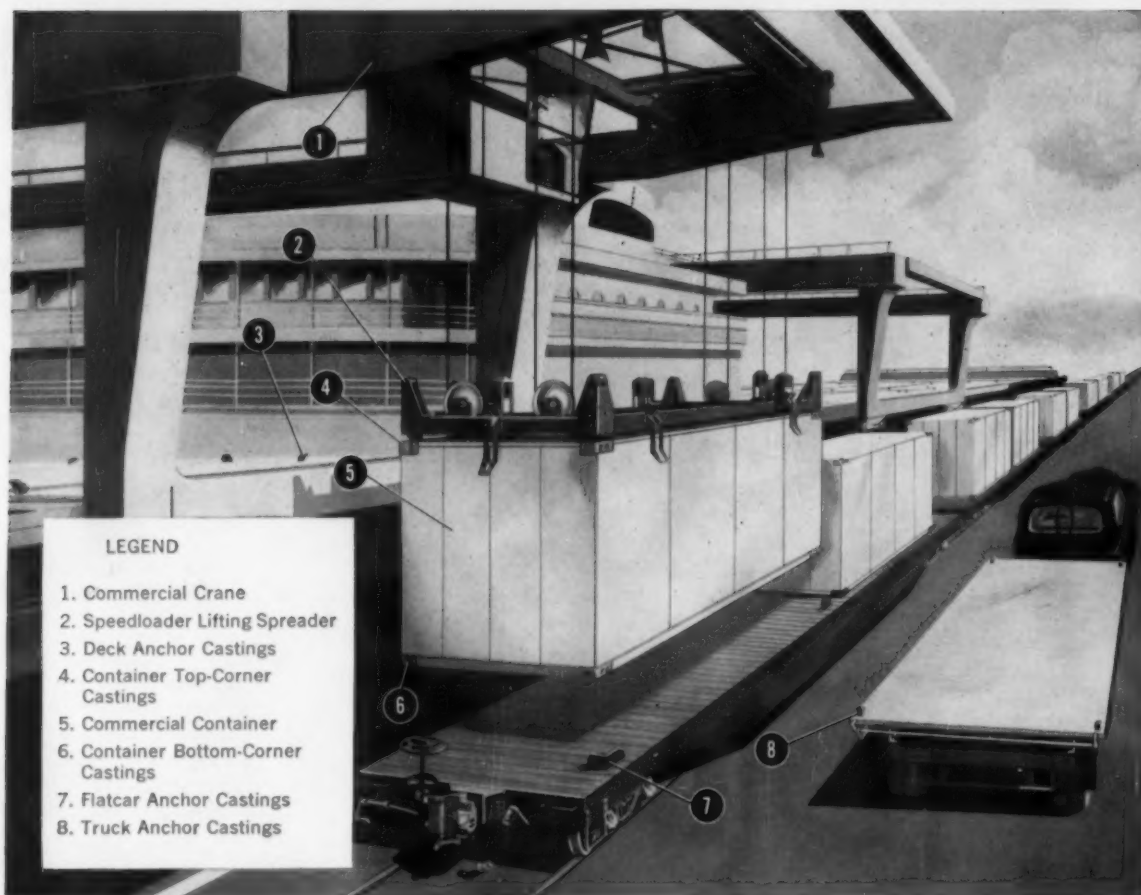
A writer in the current issue of the Harvard Business Review is highly critical of American industry generally for its failure, as he sees it, to adapt their products to changing market demands. For example, he believes the automobile manufacturers were too hip on their own notions as to what auto designs should be (and equally blind to customers' desires)—the result being that they allowed foreign producers to latch onto a substantial part of their domestic market.

The author (Theodore Levitt by name) uses the railroads as a horrible example to illustrate his theme. The railroads, he says, are in trouble today because they considered themselves to be exclusively in the railroad business, rather than in the transportation business. This critic apparently never heard of the regulatory and legal restrictions which make it so difficult for the railroads to widen the variety of their transportation services. Nevertheless, regardless of the reasons why railroads have been slow to adapt themselves to change, nobody will deny that the lag exists. And it is only vigorous and imaginative leadership at the head of the sales department that will overcome it.

Chief traffic officers of the principal railroads have, on several occasions in the past couple of years, got together for a couple of days of discussion of general sales and marketing policy questions. This is only the beginning of an effort that chief executives should encourage them to intensify. The future prosperity—indeed, the very existence—of the railroads depends on their success in developing the marketing end of the railroad business up to par with its technological and economic proficiency.

The railroads must depend on their traffic department heads to find out and tell them what kinds of service (including that by other transportation means), and what rates, are necessary to maximize profitable traffic volume on the railroads. And, when this information is transformed into policy, it will be up to the other departments to provide such service, under cost controls that will assure its profitability.

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